
RURAL ADJUSTMENT ACT 1977

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RURAL ADJUSTMENT

No. 32 of 1977

AN ACT to give effect to a scheme for the assistance of persons engaged in rural industries and for matters incidental thereto.

[19 May 1977]

BE it enacted by His Excellency the Governor of Tasmania, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows:—

PART I

PRELIMINARY

1—(1) This Act may be cited as the *Rural Adjustment Act* Short title and commencement.
1977.

(2) This Act shall be deemed to have commenced on 1st January 1977.

Interpretation.

2—(1) In this Act, unless the contrary intention appears—

“ Agreement ” means the agreement set forth in Schedule I;

“ Board ” means the Rural Reconstruction Board established under section 7;

“ farmer ” means—

(a) a natural person who being a resident of the State and an owner, lessee, or occupier of land therein is personally engaged, otherwise than as an employee, in rural industry on his own account or under a share farming agreement; or

(b) a personal representative of any such individual person,

and includes a company of a kind last referred to in paragraph (d) of Part I of the Schedule to the Agreement;

“ protected farmer ” means a farmer who is nominated as such in a protection certificate;

“ protection certificate ” means a current protection certificate granted by the Board under this Act;

“ rural industry ” means agricultural, horticultural, pastoral, grazing, and dairying industries carried on in the State and includes dairy farming, poultry farming, bee keeping, viticultural operations, and the producing of primary products not being minerals, metal, or fish, other than fish in a fish farm on land;

“ Scheme ” means the Rural Adjustment Scheme referred to in section 5.

(2) A reference to the Agreement in this Act includes a reference to the Agreement as amended from time to time by virtue of clause 9 of the Agreement.

Application of the Act.

3—(1) This Act applies to the Agreement and such other agreement as is authorized or approved by Parliament for operation under the Rural Adjustment Scheme established under section 5 of this Act.

(2) This Act binds the Crown.

PART II

RURAL ADJUSTMENT SCHEME

4—(1) The Agreement is approved and the doing or performance of all such acts, matters, or things as are necessary to give effect thereto is hereby authorized. Agreement approved.

(2) Without affecting the operation of subsection (1), all acts, matters, and things that, by the Agreement, are agreed, directed, or authorized or permitted to be made, done, or executed by or on behalf of the State, its authorities and instrumentalities, or by the Minister or any other person specified therein, whether named as a party to the Agreement or not, are hereby sanctioned, authorized, and confirmed.

5 For the purposes of the Agreement and such other agreement as is authorized or approved by Parliament for operation under the Scheme, there is established a scheme of financial assistance to persons engaged in rural industries, which scheme is in this Act referred to as the Rural Adjustment Scheme. Rural Adjustment Scheme.

6—(1) The Scheme shall be administered or operated on behalf of the State by the Rural Reconstruction Board established under section 7. Administration of the Scheme.

(2) The Rural Reconstruction Board shall be the Authority under the Agreement.

PART III

RURAL RECONSTRUCTION AUTHORITY

Division I—Constitution and proceedings of the Board

7—(1) For the purposes of this Act there shall be established a Board to be called the Rural Reconstruction Board. Rural Reconstruction Board.

(2) The Board shall consist of—

(a) the manager of the Agricultural Bank of Tasmania who shall be the chairman of the Board; and

(b) four persons appointed by the Governor, of whom—

(i) one shall be an officer of the Department of Agriculture, nominated by the Minister;

(ii) one shall be an officer of the Treasury, nominated by the Treasurer; and

(iii) two shall be practical farmers nominated by the Minister.

(3) The Board shall be a body corporate with perpetual succession and a common seal.

(4) The members of the Board other than the chairman shall hold office during the pleasure of the Governor but any person who is appointed pursuant to subsection (2) (b) (i) or (ii) shall vacate his office if he ceases to be an officer of the Department of which he was an officer when appointed.

(5) A member of the Board shall be paid such remuneration and such travelling and other allowances as the Governor may determine.

(6) The members of the Board are not, as such, subject to the *Public Service Act* 1973, but an officer of the Public Service may hold office as a member of the Board in conjunction with his office as an officer of the Public Service.

(7) A member of the Board may resign his office by written notice given to the Governor and the resignation shall take effect from a date to be determined by the Governor.

(8) If any member of the Board dies, or resigns, or otherwise ceases to be a member, the vacancy created shall be filled by the appointment by the Governor of some person so that the Board is constituted as provided in this section.

(9) All courts, judges, and persons acting judicially shall take judicial notice of—

- (a) the constitution of the Board;
- (b) the common seal of the Board affixed to a document and shall presume that it was duly affixed; and
- (c) the signature of the chairman of the Board.

Proceedings of
the Board.

8—(1) The Board shall meet at such times and places as the chairman may determine, and the chairman shall convene a meeting of the Board whenever requested, in writing; so to do—

- (a) by the Minister; or
- (b) by 3 of the other members.

(2) Any 3 members of the Board shall constitute a quorum for the transaction of the business at any meeting.

(3) Any question arising at a meeting of the Board shall be determined by a majority of the votes of the members present and voting on the question, and, in the event of an equality of votes on any matter before a meeting of the Board that matter stands adjourned to the next meeting of the Board.

(4) The Board may, by instrument under seal, delegate to any member of the Board, either generally or in relation to any particular matter or case, such of the powers, authorities, duties, and functions of the Board as may be specified in the instrument.

(5) Any delegation made under subsection (4) shall be revocable by the Board at any time and shall not prevent the exercise or performance by the Board of any of its powers, authorities, duties, and functions.

(6) Any delegation under subsection (4) or revocation of a delegation under subsection (5) shall only be made pursuant to a resolution of the Board passed at a meeting at which all the members are present.

(7) A member of the Board shall not—

(a) make any application to the Board that a member of the public might make under this Act; or

(b) take any part in dealing with any application to or transaction with the Board in or in relation to which he or any partner or relative of his has any interest,

and the granting of any application, or making of any agreement, or disposal of any land in contravention of this subsection shall be void, except in the case of a purchaser of land in good faith for value without a notice of the contravention who is not a partner or relative of the offending member.

(8) Nothing in subsection (7) affects any estate or interest registered under the *Real Property Act* 1862, but the registered proprietor thereof shall be deemed to be a trustee thereof for the Board unless he is a person in whose case the Board's disposition of the land would not be void as provided in that subsection.

(9) The Board shall keep full and accurate minutes of all its proceedings.

(10) Subject to this section, the Board may regulate its own procedure.

Division II—Functions and powers of the Board

9—(1) The function of the Board is to operate the Scheme and for that purpose—

Functions and powers of the Board.

(a) the Board has all such powers, rights, and privileges as may be necessary to enable it to carry out that function; and

- (b) it may carry out, subject to the Agreement and subject to such other agreement as is authorized or approved by Parliament for operation under the Scheme, such other functions as may be prescribed in respect of the Agreement or other agreement.

(2) For the purpose of assisting the Board to operate the Scheme, the Agricultural Bank of Tasmania shall provide—

- (a) one officer of that Bank to be the secretary to the Board; and
(b) such other officers of the Bank as the Board may require, and the officers so provided shall carry out their duties with the Board in conjunction with their duties as officers of that Bank.

PART III

FINANCIAL ASSISTANCE

Division I—Operation of the Scheme

Application for assistance under the Scheme.

10—(1) A farmer who considers himself eligible for financial assistance under the Scheme may apply for such assistance.

(2) An application for assistance under this section shall be made to the Board in such form and manner as the Board may require.

(3) The Board may require any statement in an application for assistance to be verified by statutory declaration.

(4) Upon the request in writing by the Board, the applicant shall furnish such further information and such accounts, documents, and papers as the Board may require for the purpose of considering his application and granting him a protection certificate either on his application or on its own motion.

(5) Subject to the Agreement or where an application is made under any other agreement authorized or approved by Parliament for operation under the Scheme subject to that agreement, the Board may—

- (a) grant an application made under this section on such terms and conditions as it thinks fit; or
(b) refuse the application.

(6) Where the Board grants an application it shall, in addition to any other term or condition, grant the application on condition that the applicant shall work and manage the land in respect of which the application is granted to the satisfaction of the Board.

11—(1) Repayment of advances made under the Scheme and interest thereon shall be secured by the best and most appropriate security that is available in the circumstances of a particular case, notwithstanding that such security may have to rank in priority after any existing security. Security for advances.

(2) The security for the repayment of the advances and interest thereon referred to in subsection (1) may be taken in favour of the Board or the Agricultural Bank of Tasmania if such advances are made by that Bank as agent for the Board, out of moneys available to the Bank from the Fund for the purpose of providing financial assistance under the Scheme.

(3) Sections 38, 39, 40, and 42 of the *State Advances Act 1935* apply to any security taken by or on behalf of the Board under this section as if the security were a mortgage referred to in those sections and for the purposes of their application a reference to the Board in those sections were a reference to the Board constituted by this Act.

(4) If in the opinion of the Board it would be in the interests of the farmer so to do, the Board may consent to the postponement of any security given by the farmer to the Board under this Act in favour of any person who has agreed in writing with the Board in consideration of such a postponement to lend money to the farmer for such purposes as the Board may think fit.

(5) Where a loan has been made in accordance with Part V of the Schedule to the Agreement—

- (a) the money lent;
- (b) any right of the borrower thereto under any instrument or by reason of a deposit; or
- (c) any property bought therewith,

shall not be affected by, or taken under, any process of execution of any judgment or order against the borrower obtained by a person other than the Board.

(6) Subject to subsection (7) where a security is taken by or on behalf of the Board in respect of any chattels or land, the chattels or land may not be disposed of or otherwise dealt with without the consent of the Board.

(7) Where the security referred to in subsection (6) is a mortgage in respect of land under the *Real Property Act* 1862 the mortgage operates as provided in this section only from its lodgment for registration.

Moneys
received by
Board to be
paid into
Treasury.

12—(1) All moneys received by the Board shall be paid into the Treasury and applied as the Treasurer may direct.

(2) The Board shall cause to be kept such accounts of its transactions under this Act in such form as the Treasurer may direct.

(3) The accounts referred to in subsection (2) shall be subject to the *Audit Act* 1918.

Division II—Protection certificates

Power of
Authority to
grant protection
certificates.

13—(1) Subject to subsection (4), the Board may on the application of a farmer grant him a protection certificate on such terms and conditions as it thinks fit, including a condition that the protection certificate may be cancelled by the Board if the protected farmer fails to comply with any term or condition to which the application granted under section 10 is subject by virtue of subsections (5) and (6) thereof.

(2) An application under this section shall be in such form and so verified, on oath or otherwise, as the Board may require.

(3) The farmer making an application for a protection certificate shall, if requested by the Board so to do, furnish such information and such accounts, documents, and papers as the Board may require for the purpose of considering the application.

(4) The Board may, subject to such conditions (if any) as it thinks fit, grant a protection certificate to a farmer if it is satisfied that—

- (a) the farmer has applied for financial assistance under the Scheme;
- (b) the application by the farmer for the assistance is likely to be granted;
- (c) the purpose for which the assistance is sought is such as to warrant the granting of the certificate; and

- (d) unless the protection certificate is granted it is unlikely that the farmer—
 - (i) will be able to carry on being engaged in the rural industry in relation to which the assistance is sought; or
 - (ii) will be able to benefit from the assistance, because a creditor has commenced or has threatened to commence an action or other proceeding against the farmer for or in relation to a debt due by him to the creditor.
- (5) A protection certificate—
 - (a) shall be in accordance with the form in Schedule II;
 - (b) takes effect—
 - (i) in so far as it affects land, upon its registration in accordance with Schedule III in respect of the land; and
 - (ii) in any other case, upon the granting thereof; and
 - (c) may be granted in respect of a specified debt or all the debts of an applicant.

14—(1) Forthwith upon the granting of a protection certificate the Board shall—

Granting of
protection
certificate to
be gazetted, &c.

- (a) cause a notice to be published in the *Gazette* stating that the protection certificate has been granted;
- (b) cause a copy of the protection order to be given to the protected farmer;
- (c) notify such of the protected farmer's creditors as are affected by it and are known to the Board that the protection certificate has been granted;
- (d) where the protected farmer is, and has disclosed to the Board that he is, the registered proprietor of land, register the protection certificate in accordance with Schedule III in respect of the land;
- (e) where the protected farmer is a purchaser from the Crown of the lands under the *Crown Lands Act 1935* or the *Crown Lands Act 1976*, forward a copy of the certificate to the Director of Lands who shall keep a register of all the protection certificates forwarded to him under this paragraph; and

(f) cause particulars of the protection certificate to be entered in a register which shall be kept for the purpose by the Board.

(2) The provisions of Schedule III have effect in relation to the registration of protection certificates under this Act and the cancellation of those certificates.

(3) The Board, on payment of a fee of \$2, shall issue to any person—

- (a) where a protection certificate has been granted, a certified copy or photocopy of the certificate;
- (b) where a protection certificate has been cancelled, a certified copy or photocopy of the order cancelling the certificate; and
- (c) where no protection certificate has been granted in respect of any specified person, a certificate that no protection certificate has been granted to that person.

Duration and
cancellation of
protection
certificates.

15—(1) Subject to subsections (2) and (3), a protection certificate shall, notwithstanding that the protected farmer has died or become a patient within the meaning of Part VI of the *Mental Health Act* 1963, continue in force for such period, not exceeding 12 months, as is specified in the certificate.

(2) A protection certificate may be extended by order of the Board—

- (a) for any period up to 18 months from the date on which it was granted; and
- (b) with the consent of the Minister, for any period up to 2 years from that date.

(3) The Board may, by an order under its common seal, at any time cancel a protection certificate—

- (a) on the application of the protected farmer named in the protection certificate;
 - (b) on the application of any creditor of the protected farmer; or
 - (c) of its own motion,
- and the protection certificate ceases to operate—
- (d) in so far as it affects land, upon the registration in accordance with Schedule III of the order cancelling the protection certificate; and

(e) in any other case, upon the making of the order.

(4) Upon the making of an order for the cancellation of a protection certificate the Board shall cause notice thereof to be published in the *Gazette* and to be given to each of the persons entitled to receive a notice or copy of the protection certificate under section 14 (1).

(5) Upon the making of an order for the cancellation of a protection certificate the Board shall—

- (a) cause notice thereof to be published in the *Gazette*;
- (b) cause notice thereof to be given to each of the persons entitled to receive a notice or copy of the protection certificate under section 14 (1).
- (c) enter particulars of the cancellation in the register kept by the Board under that section; and
- (d) cause to be registered in accordance with Schedule III the order cancelling the protection certificate.

16—(1) Except as otherwise provided in this Act but notwithstanding any other enactment, rule of law, or agreement to the contrary, during the operation of a protection certificate no person may, without the prior permission in writing of the Board—

Effect of
protection
certificate.

- (a) commence or prosecute any action, suit, or other proceeding;
 - (b) cause any judgment, decree, or order to be executed;
 - (c) enter upon or exercise a power of sale over any land in respect of which the Board has registered the protection certificate and the registration is in force;
 - (d) seize any chattel; or
 - (e) take any other step,
- for the purpose of—
- (f) enforcing, compelling, or inducing payment of any debt to which the protection certificate relates;
 - (g) obtaining the benefit of any security for, or guarantee or promise of, payment of the debt; or
 - (h) obtaining any benefit or exercising any power under a hire-purchase agreement.

(2) Nothing in this section prevents any person from—

(a) instituting and proceeding to judgment in, any action, suit, or other proceeding against the farmer (but so that no further proceedings may be taken thereon) for the purpose of determining his liability in respect of any—

(i) tort committed by him;

(ii) injury suffered by a worker in his employ; or

(iii) unliquidated demand, other than a demand arising out of a breach, or default in the observance or performance, of a covenant or provision in a mortgage or other instrument of security or in an agreement for the sale or purchase, including hire-purchase, of property;

(b) instituting, continuing, or prosecuting any proceeding or enforcing any remedies against the farmer in respect of his liability for the maintenance or support of his wife, including a divorced wife, or any of his children; or

(c) prosecuting any suit or other proceeding against the farmer for the administration of the trusts of any will, deed, or other instrument or for any breach of any such trust or for the removal of the farmer from the position of executor, administrator, or trustee.

(3) A protection certificate is not a bar to the recovery from the farmer of any penalty, with or without costs, imposed upon him by any court or of any sum of money due by him to the Crown upon any recognizance or bond or to the enforcement against the farmer of any liability to the Commonwealth or to any person representing the Commonwealth.

(4) Any action, suit, execution, process, or proceeding that is commenced, proceeded with, or put in force in contravention of subsection (1) is void and of no effect as is any instrument made to give effect to a power of sale exercised contrary to subsection (1) (c) unless the instrument was executed before the relevant protection certificate was registered or forwarded as provided in section 14 (1) in or to the office relevant to the land assured by the instrument.

17—(1) During the operation of a protection certificate no action, execution, process, or proceeding may, without the prior permission in writing of the Board, be commenced, proceeded with, or put in force—

Protection of guarantors, predecessors in title, &c.

(a) where the certificate is in respect of a debt—

- (i) which is guaranteed by any person, against the guarantor; or
- (ii) which is owed to the creditor under a share-farming agreement whereby the farmer farms land, a lease whereby the farmer is in possession of land, or a contract of sale whereby the farmer has purchased land, and the creditor, or any of his predecessors in title, is liable to a mortgagee or vendor, against the creditor or any of his predecessors in title as mortgagor or purchaser; and

(b) where the protected farmer is under an obligation, actual or contingent, to another person under—

- (i) a share-farming agreement whereby the farmer farms land;
- (ii) a lease whereby the farmer is in possession of land; or
- (iii) a contract of sale whereby the farmer has purchased land,

and that other person, or any of his predecessors in title, is liable to a mortgagee or vendor of the land or any predecessor in title of the mortgagee or vendor against that other person or any of his predecessors in title as mortgagor or purchaser.

(2) Subject to subsections (4) and (5), any action, execution, process, or proceeding which has been commenced, proceeded with, or put in force in contravention of the provisions of subsection (1) is void and of no effect.

(3) Where any person against whom any action, execution, process, or proceeding may not be commenced, proceeded with, or put into force by virtue of the provisions of subsection (1) (a) (ii) or subsection (1) (b) is a mortgagor of the land referred to in those provisions the Board may register the protection certificate in accordance with Schedule III in respect of the land.

(4) Any instrument lodged for registration affecting the mortgage or any interest therein prior to the registration is valid according to its tenor and the Recorder of Titles shall register it accordingly.

(5) If a conveyance in the exercise of the power of sale by a mortgagee or an assurance intended to obtain the benefit of a security given by the mortgagor is registered in the Registry of Deeds prior to the registration of a protection certificate in pursuance of subsection (3) that conveyance is a valid exercise of the power of sale or that assurance according to its tenor.

(6) For the purposes of subsection (1) “ guarantor ”, used with reference to a protected farmer, means a person who has guaranteed or undertaken to answer for the debt or default of the farmer and any person who has endorsed a bill of exchange or a promissory note given by the farmer in respect of any of the farmer’s debts.

Continuation of proceedings, &c., after protection certificate ceases to operate.

18—(1) When a protection certificate ceases to operate any action, execution, process or proceeding that was pending or in the course of being put into operation at the time the certificate was granted may be continued and proceeded with, and in computing the time for taking any step in connection therewith, no account shall be taken of the period during which the certificate was in operation.

(2) In computing the time limited by any statute of limitation in relation to any right, claim, or remedy affected by a protection certificate, no period of time during which any action, execution, process or proceeding relating to that right, claim or remedy is prohibited from being commenced, proceeded with, or put in force, shall be taken into account.

Evidence of granting or cancellation of protection certificate.

19 A copy of—

(a) a protection certificate; or

(b) an order cancelling a protection certificate, certified or purporting to be certified by the chairman, to be a copy thereof, is evidence of the granting or making of the protection certificate or the order cancelling a protection certificate, as the case may be.

PART IV

OFFENCES

20 Any person who—

False statements, &c.

(a) wilfully makes any false statement or wilfully furnishes any false information—

(i) in connection with any application under this Act;
or

(ii) as to the amount or nature of any assets belonging to him or in regard to any debt due by him or any claim against him or his estate; or

(b) without reasonable excuse, fails or neglects to comply with a lawful requirement of the Board,

commits an offence.

Penalty: \$2 000.

21—(1) No farmer to whom a protection certificate is granted under this Act shall, during the operation of the protection certificate, dispose of or encumber, without the prior permission in writing of the Board, any of his land.

Farmer not to dispose or encumber property during operation of protection certificate.

Penalty: \$1 000.

(2) Where a farmer disposes of or encumbers any of his land during the operation of a protection certificate granted to him, the Board may, in addition to any other penalty to which the farmer is liable, cancel the protection certificate and upon cancellation of the protection certificate the instrument or act disposing of or encumbering, or purporting to dispose or encumber, the land shall be void and of no effect, unless the instrument or act was executed or performed by the farmer before the protection certificate was in accordance with section 14 (1) registered in or forwarded to the office relevant to the land affected by the instrument.

(3) Any security given, without the prior permission in writing of the Board, by a protected farmer while the protection certificate granted to him is in force over or in respect of any goods or chattels of the farmer is void and of no effect.

No credit to be obtained, &c., without disclosing protection certificate.

22 No farmer to whom a protection certificate has been granted shall, during the continuance of the protection certificate—

- (a) either alone or jointly with any other person obtain credit from any person without informing him that a protection certificate has been granted to him; or
- (b) trade under an assumed name or in the name of any other person without disclosing to any person he deals with his true name and the fact that a protection certificate has been granted to him.

Penalty: \$2 000.

PART V

MISCELLANEOUS

Board not to pay debt to Crown, &c.

23—(1) The Board shall not make any payment under this Act in respect of any debt due or accruing due to the Commonwealth (except in respect of the Australian Telecommunications Commission) or a State or to any governmental authority.

(2) For the purposes of this section “governmental authority” includes any person constituted by or under the law of the Commonwealth or a State whose funds have been provided in whole or in part by the Commonwealth or a State, or whose obligations are guaranteed, in whole or in part, by the Commonwealth or a State, but does not include—

- (a) a bank preserved or established by the *Commonwealth Banks Act 1959*;
- (b) the Board of Management of the Agricultural Bank of Tasmania;
- (c) the Hydro-Electric Commission;
- (d) the Tasmanian Government Insurance Board; and
- (e) a municipal corporation or a committee thereof.

Cost of administration.

24 The costs and expenses incurred in the administration of this Act shall be defrayed out of moneys to be provided by Parliament for that purpose.

Production of documents.

25—(1) A farmer who has applied for assistance under the Scheme and the wife of the farmer or a creditor of the farmer shall upon request in writing by the Board produce such documents, including any document of title, and furnish such information and such accounts, as the Board may require for the purposes of this Act.

(2) Any farmer, his wife, or creditor to whom such a request is made who fails or refuses, without reasonable excuse, to comply with the request within the time specified therein commits an offence.

Penalty: \$500.

26—(1) Within 3 months after the close of each financial year Annual report. the Board shall prepare and furnish to the Minister a report in writing of its operations during the financial year.

(2) The Minister shall cause a copy of the report submitted to him under subsection (1) to be laid on the table of each House of Parliament within the first 14 sitting days after it is received by him.

27 An instrument made by the Board for the purposes of this Act is exempt from stamp duty and may be filed, recorded, or registered without payment of any fee. Instruments by Board exempt from stamp duty.

28 Where a notice or other document is required by this Act to be sent, given, or delivered to any person, it is sufficient compliance with the requirement to send the notice or document by post to that person. Notices, &c.

29—(1) A person who contravenes or fails to comply with any provision of this Act is guilty of an offence against this Act. General penalty.

(2) A person who is guilty of an offence against this Act for which no penalty is elsewhere provided in this Act is liable to a penalty of \$500.

30—(1) The Acts that are specified in Schedule IV are repealed. Repeals and transitional provisions.

(2) Notwithstanding the provisions of subsection (1) the provisions of Schedule V have effect for the purpose of the transition to the provisions of this Act from the law in force before the commencement of this Act.

31—(1) The Governor may make regulations for the purposes of this Act prescribing all matters necessary or convenient to be prescribed for the carrying out of or giving effect to this Act and the Scheme, including prescribing fees to be paid in respect of anything done under this Act, the procedure to be adopted in regard to any application or proceeding under this Act and the duties and Regulations.

conduct of applicants for financial assistance under the Scheme, and for prescribing penalties not exceeding \$500 for offences against the regulations.

(2) Any such regulation may confer upon a specified person or body a discretionary authority and may require any matter or thing to be verified by statutory declaration.

SCHEDULE I

(Section 2)

THE AGREEMENT

AN AGREEMENT made the first day of January One thousand nine hundred and seventy-seven between—

THE COMMONWEALTH OF AUSTRALIA (in this agreement called “the Commonwealth”) of the first part,

THE STATE OF NEW SOUTH WALES of the second part,

THE STATE OF VICTORIA of the third part,

THE STATE OF QUEENSLAND of the fourth part,

THE STATE OF SOUTH AUSTRALIA of the fifth part,

THE STATE OF WESTERN AUSTRALIA of the sixth part, and

THE STATE OF TASMANIA of the seventh part.

WHEREAS—

- (A) the Commonwealth and the States recognize that there is need to provide assistance to persons engaged in rural industries throughout Australia in the interest of those industries and of Australia generally;
 - (B) Ministers of the Commonwealth and of the States have agreed upon the Outline of Scheme for Rural Adjustment set out in the Schedule to this agreement as constituting a Scheme under which assistance of various kinds could be provided;
 - (C) the carrying out of the said Scheme is dependent upon financial assistance being granted by the Parliament of the Commonwealth to the States for that purpose;
 - (D) the Parliament of the Commonwealth has authorized the execution of this agreement by and on behalf of the Commonwealth and the provision of financial assistance to the States as provided in this agreement;
- NOW IT IS HEREBY AGREED as follows:

1.—INTRODUCTION

Operation of Agreement

1. (1) This agreement shall, as between the Commonwealth and a State, come into force when it has been entered into by the Commonwealth and that State.

(2) Notwithstanding that all the States of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania are named as parties to this agreement, this agreement shall operate as an agreement between the Commonwealth and each State in respect of which it has come into force as fully and effectually as if the State or States in respect of which it has come into force were the only State or States named as a party or as parties to the agreement.

(3) In this agreement, each State in respect of which the agreement has come into force is referred to as a "State", and the expression "the States" means, except where the context otherwise requires, all of the States in respect of which for the time being the agreement is in force.

Performance of Agreement

2. The Commonwealth will provide for or secure the performance by it and its authorities of the obligations of the Commonwealth under this agreement and each of the States will provide for or secure the performance by the State and its authorities and instrumentalities of the obligations of the State under this agreement.

Interpretation

3. (1) In this agreement, unless the contrary intention appears—"financial year" means a period of twelve months ending on the thirtieth day of June:

"the Authority" means the authority or authorities of a State that has or have the administration of the Scheme on behalf of the State and, in a case where there is more than one authority, refers, where the context requires reference to one authority, to the relevant authority of the State:

"the Scheme" means the scheme to be established and operated by a State in accordance with clause 4

"the Treasurer" means the Treasurer of the Commonwealth.

(2) Reference in this agreement to a Minister of the Commonwealth or of a State shall include a reference to a Minister for the time being acting for or on behalf of the Minister referred to.

(3) In this agreement, except where the context otherwise requires—

(a) a reference to a clause refers to the relevant clause of this agreement;

(b) a reference to a sub-clause refers to the relevant sub-clause of the clause in which the reference appears; and

(c) the Schedule to this agreement shall be deemed to be an integral part of this agreement.

II—ADMINISTRATION OF SCHEME

State to operate Scheme

4. (1) Each State will, by using the financial assistance provided by the Commonwealth in accordance with this agreement, establish and operate a scheme of financial assistance to persons engaged in rural industries in that State.

(2) The Scheme shall consist of the forms of assistance described in, and shall be operated in conformity and in accordance with the general principles and the provisions set out in, the Outline of Scheme for Rural Adjustment contained in the Schedule to this agreement, as amended at any time in pursuance of sub-clause 9 (1).

(3) The Scheme shall commence operation on the first day of January 1977.

Forms of Assistance

5. For the purposes of this agreement the various forms of assistance under the Scheme are referred to as follows:

PART A

- (a) the assistance provided for in Part 2 of the Schedule—as debt reconstruction
- (b) the assistance provided for in Part 3 of the Schedule—as farm build-up
- (c) the assistance provided for in Part 4 of the Schedule—as farm improvement
- (d) the assistance provided for in Part 5 of the Schedule—as rehabilitation

PART B

- (e) the assistance provided for in Part 6 of the Schedule—as carry-on finance.

PART C

- (f) the assistance provided for in Part 7 of the Schedule—as household support.

Allocation of Financial Assistance

6. (1) Subject to the provisions expressly made by this agreement, the financial assistance that is to be made available by the Commonwealth to a State under this agreement for the forms of assistance referred to in paragraphs (a), (b) and (c) of Part A of Clause 5 shall be allocated between those forms of assistance in such proportions as the Commonwealth determines after consultation with the State.

(2) A determination by the Commonwealth for the purposes of sub-clause (1) shall specify a target percentage for commitments on farm build-up and on farm improvement which the State shall endeavour to achieve and a maximum percentage for commitments on debt reconstruction which the State may not exceed without the prior approval of the Commonwealth.

(3) The consultations referred to in sub-clause (1) shall extend to establishing by agreement between the Commonwealth and the State a firm program of commitments of financial assistance for each four-monthly period during the year.

(4) If during a financial year either the Commonwealth or a State informs the other that it considers the allocation of the financial assistance by the State or the program of commitments in respect of the year should be varied, further consultations will be held between the Commonwealth and the State with a view to varying the determination by the Commonwealth for the purposes of this clause should the Commonwealth see fit to do so or varying the program of commitments for the purposes of this clause as the case may be.

Interest rates for Parts A and C Assistance

7. (1) The rates of interest at which money is lent by the Authority under the Scheme in providing the forms of assistance referred to in Part A and Part C of clause 5 shall be as determined by the Authority in the circumstances of the particular case.

(2) The Authority shall have the right to review the terms of repayment, including interest rates, of individual accounts at any time and shall exercise this right at regular intervals with the objective of the borrower being encouraged to transfer to commercial credit as soon as circumstances permit.

Administration Expenses

8. (1) The Commonwealth and each State shall bear the administration expenses of the provisions by the State, of assistance referred to in Parts A and C of clause 5 as follows—

- (a) up to the amount in each year which is equivalent to 2 per centum in value of the approvals for those forms of assistance in that year—by the Commonwealth and the State equally; and
- (b) in excess of the amount in each year which is equivalent to 2 per centum in value of the approvals for those forms of assistance in that year—by the State.

(2) The Commonwealth and each State shall bear the administration expenses of the provision by the State of assistance referred to in Part B of clause 5 in the respective proportions that assistance is for the time being provided by the Commonwealth and the State in respect of the relevant industry in accordance with the agreement which establishes the relevant proportion of the assistance in respect of that industry referred to in sub-clause 14 (2).

Amendment of Schedule

9. (1) The provisions of the Schedule to this agreement may be amended from time to time by agreement between the Ministers of the Commonwealth and of the States for the time being responsible for the administration of the Scheme.

(2) Where so agreed between the Commonwealth Minister and the Minister or Ministers of the relevant State or States, any amendments to the provisions of the Schedule to this agreement may be made and take effect as between the Commonwealth and one or more of the States without affecting the operation of this agreement as between the Commonwealth and a State the Minister of which has not so agreed.

III—FINANCIAL ASSISTANCE

Provision of Financial Assistance

10. Subject to, and to the performance by a State of, the provisions of the Agreement, the Commonwealth will make financial assistance available to the States for the purposes of the Scheme.

Amount of Financial Assistance

11. (1) The amount of financial assistance to be made available by the Commonwealth to each State for the forms of assistance referred to in Parts A and C of clause 5 during a financial year shall be determined by the Commonwealth before the commencement of the financial year following a meeting of Commonwealth and State Ministers which will review the circumstances relating to the financial year and which will give due consideration to submissions made by the States not later than the end of February last preceding the financial year and will have regard to such other criteria as the Commonwealth considers appropriate.

(2) The amount of financial assistance to be made available by the Commonwealth to a State for the form of assistance referred to in Part B of clause 5 shall be determined at the time the Commonwealth and the State agree that the provision of such assistance is warranted.

Advances

12. (1) The Treasurer may, at such time and in such amounts as he thinks fit, make advances on account of the payment that may be made by the Commonwealth under clause 14.

(2) An amount or part of an amount advanced by the Treasurer under this clause may be deducted by the Commonwealth from an amount that subsequently becomes payable under clause 14 or, if no further amounts will become payable under that clause, shall be refunded by the State to the Commonwealth at the request of the Treasurer.

Use of Advances

13. A State shall ensure that an amount or any part of an amount advanced to the State and not refunded under the last preceding clause is not used or applied except for the operation of the Scheme.

Payments of Financial Assistance

14. (1) The Commonwealth shall, from time to time, at the request of a State and subject to the provisions of this agreement make payments to the State of the financial assistance to be provided to the State under this agreement:

- (a) in respect of the forms of assistance referred to in Parts A and C of clause 5 in amounts equal to the expenditure by the State (other than administration expenses) in the provision of those forms of assistance; and

- (b) in respect of the forms of assistance referred to in Part B of clause 5 in amounts equal to the relevant proportion of the expenditure by the State (other than administration expenses) in the provision of that form of assistance.

(2) For the purposes of paragraph (b) of sub-clause (1) "the relevant proportion" means the proportion of the total cost of operation of the form of assistance referred to in Part B of clause 5 as is from time to time agreed between the Commonwealth and the State as being the proportion to be provided by the Commonwealth.

Supporting Financial Evidence

15. (1) A State shall furnish to the Treasurer such documents and other evidence to justify the making of an advance under clause 12 or in support of a request by the State for a payment to it by the Commonwealth under the last preceding clause as the Treasurer may from time to time reasonably request, whether the request by the Treasurer is made before or after the Commonwealth has made the advance or a payment pursuant to the request by the State.

(2) Any statement of expenditure by a State furnished to the Treasurer in connection with a request by the State for a payment under clause 14 shall be certified by the Auditor-General of the State or an officer authorized by the Treasurer of the State as to its correctness in accordance with the books and documents of the Authority.

Interest on Part A Assistance

16. (1) Interest at the rate for the time being applicable under this clause shall accrue in respect of so much of each amount that has been advanced or paid to the State in respect of the forms of assistance referred to in Part A, of clause 5 as is repayable by the State under clause 17 and has not for the time being been refunded or repaid to the Commonwealth, calculated from the date upon which the advance or payment was made by the Commonwealth.

(2) The rate of interest referred to in sub-clause (1) shall be 7 per centum per annum but shall be subject to renegotiation and redetermination at an annual review of the scheme to the intent that, in the event that as at the 1st day of January preceding the review there has been a variation of the long term bond rate of 20 per centum or more of the long term bond rate as at the 1st day January 1977 or the 1st day of January when the rate of interest was last redetermined, as the case may be, the rate applicable under this clause (1) shall be redetermined having regard to the extent of that variation.

(3) A redetermination of the rate of interest under sub-clause (2) shall take effect on a date to be specified by the determination.

(4) A reference in sub-clause (2) to the long term bond rate is a reference to the rate that is equivalent to the rate of yield to maturity of the long term loan of the loan raising by the Commonwealth in Australia for public subscription last preceding the date to which the reference relates.

(5) Interest that accrues under this clause prior to the date upon which interest becomes included in payments provided for in clause 17 shall be payable on the 15th day of January and the 15th day of July each year.

Repayments with Interest of Part A Assistance

17. (1) Subject to the provisions of clause 20, each State shall repay to the Commonwealth 85 per centum of each of the advances made to the State in respect of the forms of assistance referred to in Part A of clause 5 and not refunded or repaid under clause 12 and each of the payments made to the State under clause 14 and not for the time being repaid, together with interest referred to in sub-clause (3) of this clause by 34 half-yearly payments, that, subject to any variation resulting from a redetermination of the rate of interest under clause 16, are equal in amount.

(2) The first payment under sub-clause (1) shall be made on the 15th day of July of the fourth financial year that wholly occurs after the advance or payment was made by the Commonwealth to the State and subsequent payments shall be made on each 15th day of January and 15th day of July thereafter until the full amount of the repayment, including interest, has been paid.

(3) The interest to be included in payments referred to in sub-clause (1) shall be the interest that, in accordance with sub-clauses (1) and (2) of clause 16, accrues in respect of the relevant advance or payment on and from the 15th day of January preceding the commencement of the fourth financial year that wholly occurs after the advance or payment was made by the Commonwealth.

Repayments of Part B Assistance

18. (1) Each State shall, by way of repayment of the form of assistance referred to in Part B of clause 5 pay to the Commonwealth by payments in accordance with sub-clause (3) the amount that is calculated by subtracting (b) from (a) where—

- (a) is the amount which is the relevant proportion of the principal and interest repaid to the Authority by the recipients of that assistance; and
- (b) is the amount which is the relevant proportion of the administration expenses of the Authority in providing that assistance.

(2) For the purposes of sub-clause (1) “the relevant proportion” means the proportion of the total cost of the provision of the form of assistance referred to in Part B of clause 5 as is from time to time agreed between the Commonwealth and the State as being the proportion to be provided by the Commonwealth.

(3) The State shall pay to the Commonwealth so much as is from half-year to half-year calculated to be payable of the amount first referred to in sub-clause (1) by consecutive half-yearly payment, the first payment to be made on the 15th day of July or January that occurs after the first repayment of principal and interest made by a recipient of the assistance to the Authority

and subsequent payments to be made on each succeeding 15th day of January and July thereafter until no further amount is payable by the State in pursuance of its obligation under sub-clause (1).

Repayments of Part C Assistance

19. Each State shall, by way of repayment of the form of assistance referred to in Part C of clause 5, pay to the Commonwealth so much of that assistance and interest thereon as is recouped by the State in any year from the recipients of that assistance, such payments to be made on each 15th day of January and 15th day of July next succeeding the receipt of those moneys by the State.

Prepayments by State

20. (1) In addition to making payments in accordance with clause 17, a State may on the 15th day of January or on the 15th day of July in any year, after having given to the Treasurer notice in writing of at least one month of its intention to do so, pay to the Commonwealth an amount that has been specified in the notice of the repayments that remain to be made by the State under that clause.

(2) Interest shall accrue on amounts paid by a State in accordance with sub-clause (1) at the rate that is for the time being the rate of interest applicable under clause 16 calculated from the date of payment and compounded with half yearly rests on each 15th day of January and 15th day of July.

(3) When on any 15th day of January or 15th day of July the payment by the State under clause 17, exceeds the amount by which the unrepaid balance of the total amount repayable under that clause together with interest accrued on that total amount up to and including that date exceeds the total of the amounts paid by the State to the Commonwealth in accordance with sub-clause (1) together with interest accrued on those amounts up to and including that date under sub-clause (2), the State shall pay to the Commonwealth the amount of the second-mentioned excess in lieu of the amount due under clause 17 and no further payments shall be required to be made by the State to the Commonwealth under that clause.

Financial Administration and Adjustments

21. (1) Each State agrees that in respect of the forms of assistance referred to in Part A of clause 5 the Scheme shall be operated by the State in such a way that the amounts received by the Authority in the course of the operation of the Scheme could be reasonably expected to equal the payments of principal and interest which the State is required to make to the Commonwealth under this agreement.

(2) Should a State certify that, without taking into account its administration expenses, it has incurred losses under the Scheme in respect of the form of assistance specified in Part A of clause 5 from circumstances beyond its control arising after the date of this agreement, the Commonwealth

agrees to review the position with the State with a view to adjusting amounts payable to the Commonwealth by the State under this agreement to the extent of such losses.

(3) The provisions of this agreement in relation to the times at which payments are to be made by the State to the Commonwealth and the amounts of the payments that are to be made may be varied in such manner as is agreed between the Commonwealth and the State upon a review carried out in accordance with sub-clause (2).

Audit

22. (1) The accounts, books, vouchers, documents and other records of a State relating to the operation of the Scheme shall be subject to audit by the Auditor-General of the State.

(2) A report on the audits in respect of each financial year shall be furnished by the Auditor-General of the State to the Treasurer as soon as possible after the completion of the financial year.

Other Financial Arrangements

23. Financial arrangements in connection with the Scheme other than those provided for in this agreement shall be carried out as agreed from time to time between the Treasurer and Treasurer of each State.

IV—GENERAL

Review

24. The operation of the Scheme in relation to all of the States will be reviewed from time to time as appropriate by the Commonwealth and the States in the light of experience in its administration.

Exchange of Information

25. The Authorities of the States and appropriate Commonwealth officers associated with the Schemes for Rural Adjustment will meet together as appropriate and at least once in each year and exchange information on any matters pertinent to the Schemes.

Provision of Information and Review

26. The Authority will supply to the Commonwealth from time to time such information regarding the operation of the Scheme by the State as may be requested by the Commonwealth and which is reasonably able to be supplied by the Authority and will participate in periodic reviews of the effectiveness of the Scheme.

THE SCHEDULE

RURAL ADJUSTMENT—OUTLINE OF SCHEME

Part 1—General Principles

(a) All agricultural, horticultural and pastoral industries are included in the Scheme. It is recognised that in particular circumstances some industries may need additional special consideration.

(b) The general principle to be applied is to distribute the available resources as widely as practicable, but the over-riding objective is to help restore to economic viability those farms and farmers with the capacity to maintain viability once achieved.

(c) It is expected that each administering authority will avail itself of the best available advice on agricultural technology and market prospects.

(d) Companies will not be eligible for assistance unless the Authority, having considered the shareholdings and being satisfied that the shareholders are bona fide primary producers relying primarily on the income of the company for their livelihood, considers it appropriate to provide assistance.

(e) In cases of assistance under the heading of debt reconstruction or by way of advances for carry-on expenses, plant, livestock and property development, it is an essential part of the scheme that adequate supervision of property management and the financial affairs of the assisted farmer is maintained. If the Authority deems it necessary, it may require that moneys receivable on account of the property will be received by the Authority or its agent or a body nominated by the Authority, payments within the approved budgets being made through normal channels.

(f) Repayment of advances made by the Authority and interest due thereon will be secured by the best and most appropriate security available, recognising that this may involve ranking after existing securities.

(g) A transfer of the property or any interest therein before advances made by the Authority are repaid will be permitted only with the consent of the Authority, which will upon transfer, or upon succession on the death of the borrower, have the right to review its arrangements in respect of the property.

(h) The arrangements with the assisted farmer will be subject to regular review by the Authority from time to time. They may be terminated if the farmer ceases to work the property personally, fails to observe his obligations and undertakings under the arrangements or if the Authority decides that for any reason he lacks reasonable prospects of successful economic operation. Otherwise the arrangements shall be terminable when the Authority decides that his prospects of successful economic operation are no longer dependent on the extension of concessional finance. Upon termination of the arrangements, all debts will then become due and payable.

(i) The eligibility of a farmer for one form of assistance under this Scheme will not necessarily be affected by his having applied for or received another form of assistance under the Scheme.

(j) The rate of interest payable will be decided by the Authority in the circumstances of the particular case. The Authority will have the right to review the interest rates on individual accounts at any time and shall review the terms of repayment, including interest rates, at regular intervals with the objective of the borrower being encouraged to transfer to commercial credit as soon as circumstances permit.

Part 2—Debt Reconstruction

(1) Purpose

To assist a farmer who, although having sound prospects of long term commercial viability, has used all his cash and credit resources and cannot meet his financial commitments.

(2) Tests of Eligibility

- (a) The applicant is unable to obtain finance on reasonable terms to carry on, from any other normal source and is thus in danger of losing property or other assets if not assisted under the Scheme.
- (b) There is a reasonable prospect of successful operation with the assistance possible under the Scheme, the prime requirements being ability to service commitments and to reach the stage of commercial viability within a reasonable time.
- (c) Assistance is merited and the applicant's difficulties are not substantially due to circumstances within his control.

(3) Nature of Assistance

The assistance to be provided may include where necessary:

- (a) A re-arrangement and/or a composition of debts to allow more time for payment.
- (b) The negotiation of a concessional rate of interest for existing rates.
- (c) Advances of additional funds for carry-on expenses, livestock and further property development.
- (d) Where the State legislation so provides, a protection order against any creditor who has threatened action for debt, to apply while the application is under consideration and subject to such extensions as the administering Authority may from time to time determine.

(4) Method of Operation

- (a) A re-arrangement and/or composition may take the form of the Authority advancing money to pay off in whole or in part the creditors, (whether or not the debts have been written down by the creditors under (b) below), excluding the Crown. There may be an arrangement by the secured or unsecured creditors to postpone repayments of principal and to refrain from taking action against the debtor for a specified time. Composition arrangements require the agreement in writing of creditors.

- (b) The possibility of creditors, including the Crown, local authorities and public utilities being asked to defer or write off part of their debts should be considered. Creditors should not be pressed to the extent that the availability of credit to rural industries is damaged.
- (c) Additional funds advanced for carry-on expenses, livestock and further property development will be strictly limited to the minimum which the Authority considers is required to enable the farmer to carry on and free himself from dependence on the Authority's assistance within the term of the advances made to him by the Authority.
- (d) In exceptional cases, advances for carry-on expenses and livestock may be made to a farmer who is not yet in immediate danger of losing property or other assets but who, in the opinion of the Authority, is likely to reach that position without such assistance, such cases being tested strictly against the remaining eligibility criteria.
- (e) Where protection orders apply it is desirable to establish a relationship with creditors such that the Authority is acting in combined interests of applicant and creditors, secured and unsecured.

(5) **Limits**

The Authority shall have discretion to determine:

- (a) The terms and conditions of any loan it may make up to a maximum repayment term of 30 years. An initial period of freedom from repayments of principal may be allowed depending on the circumstances of the case and the interest rate to be charged.
- (b) The proportion of debts paid off by advances in any one case.
- (c) The total of advances which may be made by the Authority in any one case.

Part 3—Farm Build-up

(1) **Purpose**

To supplement, without discouraging, the normal processes under which properties which do not have reasonable prospects of long term viability under existing and prospective circumstances are amalgamated with an adjoining holding or are subdivided and the subdivided portions are added to adjoining holdings, or to assist a farmer with a property too small to be economic to purchase additional land to build up his property to at least economic size.

(2) **Tests of Eligibility**

- (a) The owner of the property to be purchased wishes to sell or accepts that he is obliged to sell.
- (b) The purchaser is unable to obtain the finance applied for on reasonable terms from any other normal source.

- (c) The Authority is satisfied that the built up property will be of sufficient size to offer sound prospects of long term commercial viability.
- (d) Where an application is made by an adjoining owner for assistance under the scheme to purchase an uneconomic property, but there is a possibility of sale of the property to another adjoining owner who does not require assistance under the Scheme, assistance will be provided only if the applicant's property would be built up from an uneconomic to an economic size.
- (e) The term "adjoining holding" includes a holding which is within a reasonable working distance of the holding under consideration where there is no impediment to the two holdings being worked as a single unit.

(3) Nature of Assistance

- (a) The provision to the purchaser of finance to assist the purchase of an adjoining holding or part of an adjoining holding.
- (b) Grants at the discretion of the Authority to cover, in whole or in part, losses sustained from the reduction in value of assets which are either not useful or less useful for the built up property.
- (c) Advances for carry-on expenses, plant, livestock and property development in respect of the additional land where not available from other normal sources.

(4) Method of Operation

- (a) Normally a property will be purchased only where arrangements have been made for an adjoining owner to take over the property or for the property to be subdivided and the subdivided parts added to adjoining properties. The Authority may purchase an uneconomic property in advance of arrangements having been made for the property to be added to an adjoining property or properties where the program of farm adjustment could not otherwise be achieved. The Authority may dispose of such a property on commercial terms where the purchaser does not require or is not eligible for assistance under this Part.
- (b) Where appropriate, the Authority could take the initiative to encourage an adjoining owner to purchase an uneconomic farm where the Authority is aware that the owner of the uneconomic farm wished to leave the industry or accepts that he is obliged to leave the industry; this applies particularly where it is unlikely that the appropriate purchaser or purchasers will be able to purchase the additional land unless the Authority provides assistance for the purchase.
- (c) Since it is required that there must be reasonable prospects of successful operation of the built up property, the Authority in considering the transfer price of land will have regard to its productivity value.

- (d) Grants to cover losses on the write off of redundant assets will be kept to a minimum.
- (e) Where advances are made for carry-on expenses, plant, livestock and property development, the advances will be strictly limited to the minimum which the Authority considers is required to enable the farmer to carry on and free himself from dependence on the Authority's assistance within the term of the advances made to him by the Authority.
- (f) While any advances by the Authority in respect of built up property remain unpaid, the transfer of part of the built up property will not be permitted if this would result in a property of a size too small to be economic.

(5) Limits

- (a) The term of a loan by the Authority and conditions of repayment of principal will be at the discretion of the Authority up to a maximum repayment term of 30 years. An initial period of freedom from repayments of principal may be allowed depending on the circumstances of the case and the interest rate to be charged.
- (b) The total of advances which may be made by the Authority in any one case shall also be at its discretion.

Part 4—Farm Improvement

(1) Purpose

To assist the restoration of an uneconomic property to economic viability by improving the effective use of an existing farm without adding to its area.

(2) Tests of Eligibility

- (a) The existing farm has been, but is not now, viable and is of sufficient area and the proposed improvements are of such a kind as to offer sound prospects of restoration to long term commercial viability if assistance under the Scheme were provided.
- (b) The applicant is unable to obtain finance on reasonable terms from any other normal source.

(3) Nature of Assistance

- (a) Advances for plant, livestock, carry-on expenses and further property development intended to restore the economic viability of the farm either in the existing form of production or in another form of production which may be undertaken in combination with, or completely replace, the existing form of production.
- (b) Grants at the discretion of the Authority to cover, in whole or in part, losses sustained from the reduction in value of assets which are either not useful or are less useful because of the changed pattern of farm operations.

(4) Method of Operation

- (a) Advances made for the purposes of this Part will be limited to the minimum which the Authority considers is required to enable the farmer to achieve the objective of the improvement program.
- (b) Grants to cover the write off of redundant assets will be kept to a minimum and will be made only where the changed pattern of farm operation is, in the opinion of the Authority, essential to the restoration of long term commercial viability.
- (c) While any advances by the Authority in respect of improvement for which finance is provided under this Part remain unpaid, the transfer of part of the improved property will not be permitted if this would result in a property of a size too small to be economic.

(5) Limits

- (a) The term of a loan by the Authority and the conditions of repayment of principal will be at the discretion of the Authority up to a maximum repayment term of 30 years. An initial period of freedom from repayments of principal may be allowed where circumstances warrant this concession.
- (b) The total of advances which may be made by the Authority in any one case shall be at its discretion.

Part 5—Rehabilitation

(1) Purpose

To provide limited assistance to those obliged to leave the industry where in the opinion of the Authority administering the Scheme this is necessary to alleviate conditions of personal hardship.

(2) Conditions of Eligibility

- (a) The applicant's property must have been purchased by an adjoining owner who has been assisted under the farm build-up provisions to make the purchase or the applicant must have been unable to secure assistance under the debt reconstruction provisions because his property is assessed not to have sound prospects of long term commercial viability; and
- (b) Taking into account the financial position of the applicant after his property has been sold, he will suffer financial hardship which will be alleviated by assistance under these provisions.

(3) Nature of Assistance

A loan on such conditions as to interest rate, if any, and repayment as are determined by the Authority up to a maximum of \$5,000 in any one case. The loan may be converted to a grant at the discretion of the Authority.

(4) Method of Operation

The assistance will be available at the discretion of the Authority administering the Scheme.

Part 6—Carry-on Finance

(1) Purpose

To provide advances for essential carry-on purposes in rural industries which it is agreed from time to time between the Commonwealth and a State or States are suffering a severe market downturn or similar situation (but excluding circumstances covered by natural disaster arrangements).

(2) Tests of Eligibility

- (a) The applicant has reasonable prospects of long term commercial viability having regard to his asset structure, on the assumption of a market recovery to the long term trend.
- (b) The applicant is unable to obtain carry-on finance on reasonable terms from any other normal source.
- (c) Assistance is merited and the applicant's difficulties are not substantially due to circumstances within his control.

(3) Nature of Assistance

Advances for essential carry-on expenses.

(4) Method of Operation

- (a) In relation to the rural industries referred to in Clause 1 of this Part, the Commonwealth and the State will agree upon the terms and conditions upon which assistance is to be given to farmers within those rural industries and the Commonwealth will thereupon publish a notice to that effect in the Australian Government Gazette.
- (b) Farmers within those rural industries who fulfil the eligibility requirements set out above will then apply to the Authority in their own State for carry-on assistance.
- (c) Assistance will be made available at the discretion of the Authority and will be limited to the minimum which the Authority considers is required to enable the farmer to carry on and free himself from dependence on the Authority's assistance.

Part 7—Household Support

(1) Purpose

To provide assistance for up to one year to non-viable farmers having insufficient resources to meet living expenses and who are in need of assistance to alleviate conditions of personal and family hardship while the farmer considers whether to adjust out of farming.

(2) Tests of Eligibility

The applicant is assessed as non-viable in the long term, is unable to obtain financial assistance from any other normal source and will suffer personal and family hardship which will be alleviated by assistance under these provisions.

(3) Nature of Assistance

- (a) An advance provided for one year sufficient to raise the applicant's estimated future income from all sources to the level of payment which would be applicable to him if he were eligible for unemployment benefits. An extension to two years may be allowed at the discretion of the Authority in those cases where a demonstrable effort has been made to move out of farming.
- (b) Where it would take some time to assess an applicant's entitlement, interim assistance may be granted by the Authority as a loan at a level of payment which would be applicable to him if he were eligible for unemployment benefits provided there is *prima facie* evidence of urgent need and unavailability of alternative sources of finance.
- (c) If the Authority subsequently determines that the applicant has a viable enterprise, the interim assistance will be regarded as carry-on finance.
- (d) The carry-on finance would represent part or all of the finance to be provided under a Scheme operative at the time and would be repaid under the conditions pertaining to that Scheme.
- (e) If the Authority determines that an applicant does not have a viable enterprise he will be eligible for household support assistance, and any interim assistance he may have received will be regarded as household support assistance.
- (f) Advances of household support assistance are to be paid to the farmer at intervals decided by the Authority, but not exceeding three months. Prospective income for each period will be assessed by the Authority on the basis of declarations made by the applicant. Each applicant's income situation is to be reviewed by the Authority, on the basis of declarations made by the applicant, when further advances are to be made to him.
- (g) Where a farmer obtains employment or his income is higher than allowed for by the Authority when making an advance, the farmer is required to notify the Authority and repay any excess household support assistance he may have received.
- (h) In the event of the Authority becoming aware that an applicant has received more than he was entitled to it may exercise its discretion in seeking repayment of the excess.
- (i) At the end of the first period of six months for which a farmer receives household support assistance the advances made to him may be converted by the Authority to a grant.
- (j) If the farmer adjusts out of farming within three years of the time he first received household support, any advances made to him and not already converted to a grant may be so converted by the Authority.

- (k) If an applicant does not adjust out of farming within three years after first receiving household support assistance any advances made to him and not converted to a grant will be repayable to the Authority, together with interest accruing from the commencement of the advance, within a further period of seven years.
- (l) A farmer who is eligible for household support and who is prepared to adjust out of farming may, at the discretion of the Authority, receive in lieu of household support assistance a lump sum payment of \$3,000 less any household support assistance paid to him prior to adjusting out of farming. Such payment is additional to any other payments that might be available to him under the Scheme.
- (m) For the purposes of these provisions a farmer is regarded as having adjusted out of farming when, in the judgement of the Authority, he has effectively disposed of his productive resources.

IN WITNESS WHEREOF this agreement has been signed for and on behalf of the parties thereto respectively as at the day and year first above written.

SIGNED by the Right Honourable JOHN
MALCOLM FRASER, Prime Minister of the Com- } MALCOLM FRASER
monwealth of Australia, in the presence of— }

K. E. HEYDON

SIGNED by the Honourable NEVILLE KENNETH }
WRAN, Premier of the State of New South } NEVILLE WRAN
Wales, in the presence of— }

D. G. DARLOW

SIGNED by the Honourable RUPERT JAMES }
HAMER, Premier of the State of Victoria, in the } R. J. HAMER
presence of— }

K. D. GREEN

SIGNED by the Honourable JOHANNES BJELKE- }
PETERSEN, Premier of the State of Queensland, } Joh BJELKE-PETERSEN
in the presence of— }

J. T. MAHER

SIGNED by the Honourable DONALD ALLAN }
DUNSTAN, Premier of the State of South } DON DUNSTAN
Australia, in the presence of— }

A. L. MACMAHON

SIGNED by the Honourable SIR CHARLES COURT, }
Premier of the State of Western Australia, in } CHARLES COURT
the presence of— }

BRIAN N. JOHNSON

SIGNED by the Honourable WILLIAM ARTHUR }
NEILSON, Premier of the State of Tasmania, in } W. A. NEILSON
the presence of— }

R. GRIERSON

SCHEDULE II

(Section 13 (5))

Rural Reconstruction Act 1977

PROTECTION CERTIFICATE

THIS IS TO CERTIFY that [*the farmer*] of _____,
 is protected under the *Rural Reconstruction Act 1977* in respect of all debts
 contracted by him before the day of issue hereof [*or a debt owing by him to*
 _____, of _____, for
 [*or under* _____]] until the _____ day of _____,
 19 _____.

Granted by the Rural Reconstruction Board under its common seal at
 Hobart this _____ day of _____, 19 _____.

The common seal of the Rural Reconstruction Board
 affixed in the presence of

_____, chairman [*or member*] and
 _____, member [*or secretary*].

L.S.

SCHEDULE III

(Section 14)

1.—(1) A protection certificate required to be registered under section
 14 shall be so registered by lodging with the Registrar—

- (a) a copy of the protection certificate; and
- (b) particulars of the title to the land to which the protection certificate
 relates.

(2) Where a protection certificate has been registered under sub-paragraph
 (1) the Recorder shall make an appropriate entry of the protection certificate
 on the folium of the register book constituting the title to the land to which
 the protection certificate relates.

2.—(1) Where the whole or any part of the land referred to in paragraph
 1 (1) is not under the *Real Property Act 1862* the Recorder shall bring under
 that Act so much of the land that is not under that Act by registering a
 qualified certificate of title thereto in accordance with section 19 of that Act.

(2) Where part only of the land to which a protection certificate relates
 is required to be brought under the *Real Property Act 1862* by this paragraph
 the Recorder shall issue a consolidated title to the whole of the land to which
 the protection certificate relates and for that purpose may call in and cancel
 in accordance with section 136 of that Act the certificates of title to the parts
 of the land.

(3) The Recorder is not bound, for the purposes of sub-paragraph (1),
 to investigate the title to any land.

(4) Where by this paragraph the Recorder is required to bring any land under the *Real Property Act* 1862, and no survey such as he could require under section 104 of that Act is available, the land may be described on the certificate of title by means of a description by metes and bounds instead of by reference to a plan.

(5) Where, in any certificate of title registered pursuant to this paragraph, land is described by means of a description by metes and bounds—

- (a) no action shall be brought against the Recorder or the assurance fund constituted under the *Real Property Act* 1862 by reason or in respect of any difference between the area of the land or the position or dimensions of the boundaries stated in the certificate of title and the actual area, position, or dimensions as found by admeasurement on the ground;
- (b) a solicitor who acts for any party taking or proposing to take any estate or interest in the land from the registered proprietor of the certificate of title is not under any duty to check that the description in the certificate of title agrees with the description in the antecedent document of title; and
- (c) upon such evidence of boundaries as he deems sufficient, the Recorder may cancel the certificate of title and replace it by a fresh certificate of title describing the land in accordance with that evidence.

3. A cancellation of a protection certificate required to be registered under section 15 (3) shall identify the protection certificate that has been cancelled and, on receipt, the Recorder shall make an entry on the folium of the register book constituting the title to the land to which the cancelled protection certificate relates that the protection certificate previously registered in respect of that land has been cancelled.

4. No fee is payable in respect of the registration or the cancellation of the registration of a protection certificate in accordance with this Schedule.

SCHEDULE IV

(Section 30 (1))

ACTS REPEALED

Year and number of Act	Short title of Act
No. 49 of 1971	<i>Rural Reconstruction Act</i> 1971
No. 57 of 1972	<i>Rural Reconstruction Act</i> 1972
No. 83 of 1973	<i>Rural Reconstruction Act</i> 1973
No. 31 of 1975	<i>Beef Industry Assistance Act</i> 1975
No. 34 of 1975	<i>Dairy Adjustment Program Act</i> 1975
No. 98 of 1976	<i>Rural Reconstruction Act</i> 1976

SCHEDULE V

(Section 30 (2))

PART I

1. In this Part "repealed Act" means the *Rural Reconstruction Act 1971*.
2. Any person who immediately before the commencement of this Act—
 - (a) was a member of the Rural Reconstruction Board under the repealed Act continues to be a member of the Board as if he were appointed as a member under section 7 (1) of this Act; and
 - (b) was the secretary to the Rural Reconstruction Board continues to be the secretary to the Board as if he were provided under section 9 (2) of this Act by the Agricultural Bank of Tasmania to the Board as secretary to the Board.
3. Any application for benefits under the Scheme made under section 11 of the repealed Act which has not been dealt with immediately before the commencement of this Act shall be deemed to have been made under section 10 of this Act.
4. Any advance made by the Rural Reconstruction Board and security given in respect thereof under the repealed Act and in force immediately before the commencement of this Act continues to have effect as if the advance were made and the security given under this Act.
5. All moneys held by or on behalf of the Rural Reconstruction Board and those payable to that Board under the repealed Act shall be deemed to be held on behalf of, and payable to, the Board under this Act.
6. Any protection certificate issued to a farmer by the Rural Reconstruction Board under section 18 of the repealed Act and in force immediately before the commencement of this Act continues to have effect as if the protection certificate were granted under section 13 of this Act and were in force under this Act.

PART II

1. In this Part "repealed Act" means the *Beef Industry Assistance Act 1975*.
2. Any application for loan made under section 5 of the repealed Act which has not been dealt with immediately before the commencement of this Act shall be deemed to have been made under section 10 of this Act.
3. Any loan made by the Rural Reconstruction Board and security given in respect thereof under the repealed Act and in force immediately before the commencement of this Act continues to have effect as if the loan were an advance made, and the security given, under this Act.
4. All moneys held by or on behalf of the Rural Reconstruction Board and those payable to that Board under the repealed Act shall be deemed to be held on behalf of, and payable to, the Board under this Act.

PART III

1. In this Part "repealed Act" means the *Dairy Adjustment Program Act 1975*.

2. Any land acquired by the Rural Reconstruction Board under the repealed Act and not disposed of immediately before the commencement of this Act shall be deemed to have been acquired by the Board for the purposes of this Act.

3. Any security given to the Rural Reconstruction Board in respect of the sale of land by that Board and moneys outstanding in respect thereof under the repealed Act shall upon the commencement of this Act be deemed to be the security given, and the outstanding moneys payable, to the Board under this Act.

4. Upon the commencement of this Act the Board shall be entitled to complete the purchase of any land held under contract for purchase under section 8 of the repealed Act and any land held under a lease under section 9 of this Act.

5. Any application made under section 10 of the repealed Act to participate under a Program which has not been dealt with immediately before the commencement of this Act shall be deemed to have been made under section 10 of this Act.

6. All moneys held by or on behalf of the Rural Reconstruction Board for the purposes of the Program under the repealed Act and those payable to that Board thereunder shall be deemed to be held on behalf of, and payable to, the Board under this Act.

