

---

## RURAL ADJUSTMENT ACT 1988

---

### No. 37 of 1988

---

#### TABLE OF PROVISIONS

##### PART I

###### PRELIMINARY

1. Short title.
2. Commencement.
3. Interpretation.
4. Application of Act.
5. Ratification and effect of Agreement.

##### PART II

###### RURAL ADJUSTMENT SCHEME

6. Rural Adjustment Scheme.
7. Functions of Authority.
8. Powers of Authority.
9. Application for assistance under Scheme.
10. Production of documents, &c.
11. Security for loans.

##### PART III

###### PROTECTION CERTIFICATES

12. Application for protection certificate.
13. Provisions relating to protection certificates.

14. Duration of protection certificates.
15. Effect of protection certificate.
16. Protection of guarantors, &c.
17. Cancellation of protection certificates.
18. Continuation of action, &c., after protection certificate ceases to be in force.
19. Evidence of granting or cancellation of protection certificate.

##### PART IV

###### OFFENCES

20. Protected farmer not to dispose of or encumber land while protection certificate in force.
21. Disclosure of existence of protection certificate.
22. False and misleading statements.
23. Failure to comply with requirements of Authority.

##### PART V

###### MISCELLANEOUS

24. Costs and expenses.
25. Accounts.

26. Exemption from stamp duty.

31. Repeal.

27. Register of protection  
certificates.

SCHEDULE 1

28. Service, &c., of notices, &c.

THE AGREEMENT

29. Regulations.

SCHEDULE 2

30. Savings and transitional  
provisions.

SAVINGS AND TRANSITIONAL  
PROVISIONS



**RURAL ADJUSTMENT ACT 1988**

**No. 37 of 1988**

\*\*\*\*\*

**AN ACT to give effect to a scheme for the assistance of persons engaged in rural industries.**

**[Royal Assent 10 November 1988]**

**B**E 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**—This Act may be cited as the *Rural Adjustment Act* Short title. 1988.

**2**—(1) This section and section 1 shall commence on the Commencement. day on which this Act receives the Royal assent.

(2) Except as provided in subsection (1), this Act shall commence on such day as may be fixed by proclamation.

**3**—(1) In this Act, unless the contrary intention appears— Interpretation.

“Agreement” means the agreement and the first amending agreement, a copy of which is set out in Schedule 1;

“Authority” means the Tasmanian Development Authority established under the *Tasmanian Development Act 1983*;

“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 (e) of Part 1 of the Schedule to the Agreement;

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

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

“register” means the register kept by the Authority under section 27;

“Scheme” means the Rural Adjustment Scheme continued under section 6.

(2) A reference to the Agreement includes—

(a) a reference to the Agreement as amended from time to time by virtue of clause 11 of the Agreement; and

(b) any other agreement authorized or approved by Parliament for the operation of the Scheme.

(3) Where any word or expression used in this Act is defined in the Agreement, that word or expression shall, unless the contrary intention appears, have the same meaning as ascribed to that word or expression in the Agreement.

Application of Act.

4—(1) This Act applies to the Agreement and any other agreements that Parliament may authorize or approve in connection with the operation of the Scheme.

(2) This Act binds the Crown in the right of Tasmania and in all its other capacities.

5—(1) The execution of the Agreement is ratified.

Ratification and  
effect of  
Agreement.

(2) The provisions of the Agreement shall have the force of law as if the Agreement were enacted by this Act.

(3) The Minister, relevant statutory authorities, and agencies, on behalf of the State—

(a) are empowered and required to do all things necessary to implement and enforce the Agreement;

(b) are empowered to exercise all powers, rights, and discretions conferred on them respectively under the Agreement; and

(c) are required to perform all obligations imposed on them respectively under the Agreement.

## PART II

### RURAL ADJUSTMENT SCHEME

6—(1) The Rural Adjustment Scheme established under section 5 of the *Rural Adjustment Act 1977* to provide financial assistance to persons engaged in rural industries is continued.

Rural  
Adjustment  
Scheme.

(2) The Authority shall continue to administer and operate the Scheme on behalf of the State.

7—The functions of the Authority are—

Functions of  
Authority.

(a) the operation of the Scheme; and

(b) such other functions as the Minister may determine.

8—For the purpose of enabling it to carry out the functions as referred to in section 7, the Authority is empowered to exercise all powers, rights, privileges, and discretions as may be necessary to carry out these functions.

Powers of  
Authority.

9—(1) A farmer may apply to the Authority for financial assistance under the Scheme.

Application for  
assistance under  
Scheme.

(2) An application under subsection (1) shall be made in such form and manner as the Authority may determine.

(3) For the purpose of considering an application under subsection (1), the Authority may require the applicant—

- (a) to make a statutory declaration in relation to any statement made in that application; and
- (b) to provide further information, accounts, documents, or other papers.

(4) Subject to the Agreement, the Authority may—

- (a) grant an application for financial assistance on such terms and conditions as it thinks fit; or
- (b) refuse to grant such an application.

(5) Where the Authority grants an application for financial assistance 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 Authority.

Production of documents, &c.

**10**—The Authority may, by notice in writing, require a farmer who has applied for financial assistance under the Scheme and the spouse or creditor of the farmer to produce such documents and accounts and furnish such information as it may determine.

Security for loans.

**11**—(1) The repayment of any loan made under the Scheme together with the interest on the loan shall be secured in such manner as the Authority determines.

(2) The Authority may, in the interests of a farmer, consent to the postponement of any security given by the farmer in favour of another person if—

- (a) that other person agrees in writing with the Authority to lend money to the farmer in consideration of the postponement; and
- (b) the money is lent to the farmer for such purposes as the Authority may determine.

(3) Where a loan has been made under Part 7 of the Schedule to the Agreement—

- (a) the money lent;
- (b) any right of the borrower to the loan under any instrument or by reason of a deposit; or

- (c) any property bought with the loan, 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 Authority.
- (4) Where a security taken by or on behalf of the Authority—
- (a) is in respect of any chattels or land, the chattels or land shall not be disposed of or otherwise dealt with without the consent of the Authority; and
- (b) is a mortgage in respect of land under the *Land Titles Act 1980*, the mortgage operates as provided in this section from the date of its lodgment for registration.

---

### PART III

#### PROTECTION CERTIFICATES

12—(1) A farmer who has applied for financial assistance under section 9 may apply to the Authority for a protection certificate to name him as a protected farmer. Application for protection certificate.

(2) An application under subsection (1) shall be made in such form and manner as the Authority may determine.

(3) For the purpose of considering an application made under subsection (1), the Authority may require the applicant—

- (a) to make a statutory declaration in relation to any statement made in that application; and
- (b) to provide further information, accounts, documents, or other papers.

(4) The Authority may—

(a) subject to subsection (5), grant an application for a protection certificate—

(i) on such terms and conditions as it thinks fit;

(ii) in respect of a specified debt or all debts;  
or

(b) refuse to grant the application.

(5) The Authority may grant an application by a farmer for a protection certificate if it is satisfied—

(a) that the farmer has applied for financial assistance under section 9;

- (b) that the application for financial assistance is likely to be granted;
  - (c) that the purpose for which the financial assistance is such as to warrant the granting of the protection certificate; and
  - (d) that unless the application for a protection certificate is granted, the farmer is unlikely to be able—
    - (i) to carry on being engaged in the rural industry in relation to which the financial assistance is sought; or
    - (ii) to benefit from the financial assistance, because a creditor has commenced or has threatened to commence an action or proceeding against the farmer in relation to a debt due to the creditor.
- (6) A protection certificate—
- (a) shall be in a form determined by the Authority; and
  - (b) takes effect—
    - (i) where it affects land, on the date on which it is registered in accordance with the regulations; or
    - (ii) in any other case, on the date on which it is granted.

Provisions relating to protection certificates.

**13**—Where the Authority grants an application for a protection certificate, it shall—

- (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 certificate to be given to the protected farmer;
- (c) notify creditors of the protected farmer that are known to it that the protection certificate has been granted;
- (d) where the protected farmer is, and has disclosed to the Authority that he is, the registered proprietor of land, register the protection certificate in accordance with the regulations;
- (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 protection certificate to the relevant Head of Agency; and
- (f) cause particulars of the protection certificate to be entered in the register.

14—(1) A protection certificate shall continue in force for such period, not exceeding 12 months, as is specified in the certificate notwithstanding that during that period the protected farmer has died or become a patient within the meaning of Part VI of the *Mental Health Act 1963*. Duration of protection certificates.

(2) The Authority may extend a protection certificate—

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

15—(1) Notwithstanding any other enactment, rule of law, or agreement, while a protection certificate continues in force, a person shall not, without first obtaining the permission in writing of the Authority— 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 Authority 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 any action, suit, or other proceeding against the farmer 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 liability for the maintenance or support of his spouse, divorced spouse, 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 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.

(5) Any instrument made to give effect to a power of sale exercised contrary to subsection (1) (c) is void unless the instrument was executed before the relevant protection certificate was registered or forwarded as provided in section 13 (1).

Protection of  
guarantors, &c.

**16—(1)** While a protection certificate continues in force, no action, execution, process, or proceeding may, without the prior permission in writing of the Authority, be commenced, proceeded with, or put in force—

- (a) where the protection 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 under a lease whereby the farmer is in possession of land, or under 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.

(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 Authority may register the protection certificate in accordance with the regulations.

(4) Any instrument lodged for registration affecting the mortgage or any interest in a mortgage before the registration is valid 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 before 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.

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

Cancellation of protection certificates.

**17—(1)** The Authority may, by order, 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;
- (c) on its own motion; or
- (d) if the protected farmer fails to comply with the terms and conditions subject to which financial assistance was granted under section 9.

(2) Where the Authority cancels a protection certificate, it shall—

- (a) cause a notice of the cancellation to be published in the *Gazette*;
- (b) cause a copy of the notice to be given to each person entitled to receive a notice or copy of the protection certificate under section 13;
- (c) enter particulars of the cancellation in the register kept by the Authority under section 27; and
- (d) register the order in accordance with the regulations.

(3) A protection certificate ceases to be in force—

- (a) where it affects land, on the date on which the order cancelling the protection certificate is registered under the regulations; or
- (b) in any other case, on the date on which the order is made.

Continuation of action, &c., after protection certificate ceases to be in force.

**18—(1)** Where a protection certificate ceases to be in force, any action, execution, process, or proceeding that was pending or in the course of being put into operation at the time the protection certificate was granted may be continued and proceeded with.

(2) In computing the time for taking any step in connection with any action, execution, process, or proceeding referred to in subsection (1), no account shall be taken of the period during which a protection certificate was in force.

(3) 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.

**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 of such a certificate or order, is evidence of the granting of the protection certificate or the order cancelling a protection certificate.

Evidence of granting or cancellation of protection certificate.

---

## PART IV

### OFFENCES

**20—(1)** A protected farmer shall not dispose of or encumber any of his land while a protection certificate in relation to that land is in force without first obtaining the permission in writing of the Authority.

Protected farmer not to dispose of or encumber land while protection certificate in force.

Penalty: Fine not exceeding 20 penalty units.

(2) The Authority may cancel the protection certificate where a protected farmer disposes of or encumbers any of his land while the protection certificate in relation to that land is in force.

(3) The cancellation of a protection certificate under subsection (2) is in addition to a penalty to which a farmer is liable under subsection (1).

(4) Where the Authority cancels a protection certificate pursuant to subsection (2), any instrument or act disposing of or encumbering, or purporting to dispose of or encumber, the land shall be void from the date on which it was so cancelled unless the instrument or act was executed or performed before the protection certificate was registered or forwarded in accordance with section 13.

(5) A security given by a protected farmer in respect of goods or chattels is void if it is given without the prior permission in writing of the Authority while a protection certificate is in force.

Disclosure of  
existence of  
protection  
certificate.

**21**—A protected farmer shall not, while a protection certificate is in force—

(a) either alone or jointly with another person, obtain credit from any person without informing that person 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 with whom he deals his true name and the fact that a protection certificate has been granted to him.

Penalty: Fine not exceeding 50 penalty units.

False and  
misleading  
statements.

**22**—(1) A person who makes a statement or representation that to his knowledge is false or misleading—

(a) in relation to any application under this Act; or

(b) with respect to the amount or nature of any assets or any debt due by him or any claim against him or his estate,

is guilty of an offence and is liable on summary conviction to a penalty not exceeding 50 penalty units.

(2) It is a defence to a charge under subsection (1) if the defendant proves that, at the time when the statement or representation was made, he believed on reasonable grounds that it was neither false nor misleading.

Failure to  
comply with  
requirements of  
Authority.

**23**—A person who, without reasonable cause, fails or neglects to comply with a lawful requirement of the Authority is guilty of an offence and is liable on summary conviction to a penalty not exceeding 50 penalty units.

---

## PART V

### MISCELLANEOUS

Costs and  
expenses.

**24**—(1) 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.

(2) All money received by the Authority shall be paid into the Treasury and applied as the Treasurer may direct.

**25—**(1) The Authority shall cause to be kept accounts of its transactions under this Act in such manner as the Treasurer may direct. Accounts.

(2) The accounts kept pursuant to subsection (1) are subject to the *Audit Act 1918*.

**26—**Any instrument made by the Authority for the purposes of this Act is exempt from stamp duty and may be filed, recorded, or registered without payment of any fee. Exemption from stamp duty.

**27—**(1) The Authority shall keep a register of protection certificates granted under this Act. Register of protection certificates.

(2) The Authority shall cause particulars of each protection certificate granted to be entered in the register kept under subsection (1).

(3) The Authority shall, on payment of the relevant prescribed fee, issue a person—

- (a) where a protection certificate has been granted, a certified copy or photocopy of that protection certificate;
- (b) where a protection certificate has been cancelled, a certified copy or photocopy of the order cancelling the protection certificate; and
- (c) where a protection certificate has not been granted in respect of a specified person, a certificate to that effect.

**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. Service, &c., of notices, &c.

**29—**(1) The Governor may make regulations for the purposes of this Act. Regulations.

(2) Without limiting subsection (1), regulations may be made with respect to—

- (a) the fees payable in respect of any matter under this Act;
- (b) the procedure in respect of any application or proceeding;
- (c) the duties and conduct of applicants for financial assistance under the Scheme; and
- (d) the verification of any matter or thing.

(3) Regulations under this section may be made subject to such conditions, or be made so as to apply differently according to such factors, as may be specified in the regulations or according to such limitations or restrictions, whether as to time or circumstance or otherwise, as may be so specified.

(4) Regulations under this section may provide that it is an offence, punishable on summary conviction, for a person to contravene or fail to comply with any of the regulations and may provide in respect of any such offence for the imposition of a penalty not exceeding 10 penalty units and in the case of a continuing offence, a further penalty not exceeding 1 penalty unit for each day during which the offence continues.

Savings and  
transitional  
provisions.

**30**—The provisions set out in Schedule 2 have effect with respect to transitional and savings provisions.

Repeal.

**31**—The *Rural Adjustment Act 1977* and the *Rural Adjustment Amendment Act 1979* are repealed.

---

## SCHEDULE 1

Section 3

## THE AGREEMENT

AN AGREEMENT made the twenty sixth day of September one thousand nine hundred and eighty five 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 WESTERN AUSTRALIA of the fifth part,

THE STATE OF SOUTH AUSTRALIA of the sixth part,

THE STATE OF TASMANIA of the seventh part, and

THE NORTHERN TERRITORY OF AUSTRALIA of the eighth part.

## WHEREAS—

- (A) the Commonwealth, the States and the Northern Territory of Australia recognize that there is need for assistance to be provided to persons engaged in rural industries throughout Australia in the interest of those industries and of Australia generally;
- (B) Ministers of the Commonwealth, of the States and of the Northern Territory of Australia 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 involves financial assistance in different forms being granted by the Commonwealth to the States and the Northern Territory of Australia for that purpose; and
- (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 and the Northern Territory of Australia as provided in this agreement,

NOW IT IS HEREBY AGREED as follows:

*I—INTRODUCTION**Operation of Agreement*

1. (1) In this agreement, each State and the Northern Territory of Australia 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 and the Northern Territory of Australia in respect of which for the time being the agreement is in force.

(2) 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.

(3) Notwithstanding that in this agreement all the States of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania and the Northern Territory of Australia are named as parties, this agreement shall operate as an agreement between the Commonwealth and the party or parties in respect of which it comes into force as fully and effectually as if the party or parties in respect of which it comes into force were the only party or parties so named other than the Commonwealth.

(4) In the event that a State ceases to be a party this agreement shall nevertheless continue in force with respect to the Commonwealth and the States which are parties when the cessation takes effect.

#### *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—

“aquaculture” means industries which conduct systematic farming of plants and animals in water involving the use of man-made infrastructure on or adjacent to land, but excludes harvesting-type industries where farming or cultivating is not an integral part of the operation;

“average outstanding loans” means half the total indebtedness of a State at the end of each successive period of six months of a financial year under its borrowings, whether from the Commonwealth or otherwise, for the purposes of the Scheme, and half the outstanding borrowings otherwise than by the State at the end of each such successive period for the purposes of the Scheme;

“financial year” means a period of twelve months ending on the thirtieth day of June;

“the Minister” means the Minister for Primary Industry;

“rural industries” means all agricultural, horticultural, pastoral, apicultural and aquacultural industries;

“the Scheme” means the scheme of assistance to be established and operated by a State in accordance with clause 4.

(2) A 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 or to a Minister who has taken over the responsibilities of the Minister under this agreement.

(3) A reference in this agreement to a State shall include a reference to an authority or authorities of a State that has or have the administration of the Scheme on behalf of the State.

(4) 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, whether or not with funds borrowed by a State, the financial assistance provided by the Commonwealth in accordance with this agreement, establish and operate a scheme of assistance to persons engaged in rural industries in that State.

(2) Borrowings referred to in sub-paragraphs 6 (a) (i) and (ii) and 6 (b) (i) and (ii) of the agreement shall be at a rate or rates of interest which, together with any other borrowing charges, is or are no greater than that or those set by a lender or lenders nominated from time to time for the purpose by the Minister and agreed to by State Ministers.

(3) The Scheme shall consist of the forms of assistance referred to in Clause 5 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 11 (1).

(4) Unless the Commonwealth and a State at the time of entering into this agreement agree otherwise the Scheme shall be deemed to have commenced operation as between the Commonwealth and that State on the first day of July 1985.

### *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 assistance*

- (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;

#### *PART B assistance*

- (d) the assistance provided for in Part 5 of the Schedule—as carry-on finance;

#### *PART C assistance*

- (e) the assistance provided for in Part 6 of the Schedule—as household support;
- (f) the assistance provided for in Part 7 of the Schedule—as rehabilitation.

### *Financial Assistance to be Provided*

6. Subject to this agreement, the financial assistance that is to be provided by the Commonwealth to a State under this agreement shall be as follows:

- (a) Part A assistance—an interest subsidy equal to 50% both of the interest payable on, and of associated costs of,
- (i) borrowings by the State for the purpose of Part A assistance; and
  - (ii) borrowings, otherwise than from the State under the Scheme, by a person eligible under the Scheme for Part A assistance,  
limited to the first seven years of each borrowing or if there are successive borrowings the first seven years of the total number of years of those borrowings.
- (b) Part B assistance—in the absence of any other arrangements being in force or agreed at the time, an interest subsidy equal to 25% both of the interest payable on, and of associated costs of,
- (i) borrowings by the State for the purpose of Part B assistance; and
  - (ii) borrowings, otherwise than from the State under the Scheme, by a person eligible under the Scheme for Part B assistance,  
limited to the first seven years of each borrowing or if there are successive borrowings the first seven years of the total number of years of those borrowings, provided that the State contribution to the interest subsidy is at least 25% of the said interest and costs over the same period; and
- (c) Part C assistance—payments by the Commonwealth of an amount equal to the expenditure by the State in the provision of those forms of assistance.

*Allocation of Borrowings by a State and Amounts of Interest Subsidy Provided by the Commonwealth*

7. (1) Subject to the provisions expressly made by this agreement, both the funds borrowed by the State and the amounts of interest subsidy provided by the Commonwealth for the forms of assistance referred to in paragraphs (a), (b) and (c) for Part A assistance in 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 shall not exceed without the prior approval of the Commonwealth.

(3) If during a financial year either the Commonwealth or a State informs the other that it considers the allocation of the borrowings by the State or amounts of interest subsidy provided by the Commonwealth 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.

*Terms of Loans by a State*

8. (1) The rates of interest at which money is lent by the State under the Scheme in providing Part A, Part B and Part C assistance shall, subject to Part 5 of the Schedule, be as determined by the State.

(2) The length of loans and the period during which an interest subsidy applies in respect of loans shall, subject to Part 5 of the Schedule, be as determined by the State.

(3) The State 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.

(4) The State shall have the right at any time to convert any loans made by it by way of Part C assistance into grants.

#### *Payment by State of Interest Only*

9. (1) Subject to sub-clause (2), where an amount of interest subsidy is paid to the State by the Commonwealth in respect of a borrowing referred to in sub-paragraphs 6 (a) (ii) and 6 (b) (ii) that amount shall be paid by the State either to the lender in satisfaction of interest payable on that borrowing or to the borrower in reimbursement of interest paid by that borrower to that lender.

(2) The amount paid by the State referred to in sub-clause (1) shall be, in relation to each individual borrowing, determined by the State having regard to the terms of the borrowing.

#### *Administration Expenses*

10. The Commonwealth will pay a State at the end of each successive period of six months of a financial year towards administration expenses of the State in providing assistance under the Scheme

(a) under Parts A and B—an amount equal to 1 per cent of so much of the amount of average outstanding loans as relates to assistance under those Parts;

(b) under Part C—an amount equal to 2 per cent of assistance provided under that Part for that period.

#### *Amendment of Schedule*

11. (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*

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

*Amount of Financial Assistance*

13. (1) The amount of financial assistance to be made available by the Commonwealth to each State for Parts A and C assistance during a financial year shall be determined by the Commonwealth after consultation with the States and on a basis of a total amount of borrowing which the Commonwealth considers feasible to subsidise. Before the commencement of the financial year Commonwealth and State Ministers will consult taking into account such matters as the state of rural industries, size and importance of rural industries, short and long-term industry trends and priorities for rural adjustment financial assistance and 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 and States consider appropriate.

(2) The amount to be made available to a State during a financial year determined under sub-clause (1) may, at any time the Commonwealth so considers fit, after consultation with the other States, be increased by the addition of a supplementary amount determined by the Commonwealth at that time.

(3) The amount of financial assistance to be made available by the Commonwealth to a State for Part B assistance shall be determined at the time the Commonwealth and the State agree that the provisions of such assistance is warranted.

(4) When an amount of financial assistance determined in respect of a State under the preceding sub-clauses will not be required by the State during the period for which the amount is determined, the amount, or such part of that amount as the Commonwealth determines, may, with the consent of that State, be allocated by the Commonwealth to another State and the respective amounts of financial assistance to which those States are entitled under this clause during the relevant period shall be adjusted accordingly.

(5) Should a State certify that, taking into account any money earned referred to in sub-clause 15 (3) but not its administration expenses, it is incurring losses under the Scheme in meeting payments of interest on its borrowings in respect of Parts A and B assistance from circumstances beyond its control, the Commonwealth is to review the position with the State and make supplementary payments to the extent of such losses.

(6) Should a State certify that, taking into account matters referred to in sub-clause (5), it is incurring any other losses under the Scheme from circumstances beyond its control, the Commonwealth may review the position with the State and give consideration to making supplementary payments in respect of such other losses.

(7) Where repayments of, or payments of interest on, any borrowings in respect of Part A and Part B assistance cannot be recovered by a State from persons who have received assistance under those Parts of the Scheme the Commonwealth and the State shall contribute towards the amount not so recovered as follows:

- (a) up to a total amount equal to 10 per cent of borrowings and interest owing by the State at the end of the financial year in which the contribution is sought, in equal shares;
- (b) for amounts in excess of that total amount, the Commonwealth shall contribute that excess.

#### *Advances*

14. (1) The Commonwealth may, at such time and in such amounts as the Minister thinks fit, make advances on account of the payment that may be made by the Commonwealth under clause 17.

(2) An amount or part of an amount advanced by the Commonwealth under this clause may be deducted by the Commonwealth from an amount that subsequently becomes payable under clause 17 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 Minister.

#### *Use of Advances and Other Moneys*

15. (1) 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 used or applied for the operation of the Scheme.

(2) A State shall ensure that any financial assistance paid by the Commonwealth under the Scheme is either used or applied for the operation of the Scheme or is refunded to the Commonwealth.

(3) A State shall ensure that any money earned by it under the Scheme on financial assistance provided by the Commonwealth to the State under this agreement is either used or applied for the operation of the Scheme or is refunded to the Commonwealth.

(4) A State, on being requested by the Minister to do so, shall pay to the Commonwealth any amount which is held by it under this agreement and which the Minister, after consultation with the State, determines in writing to be in excess of the amount the State needs in the operation of the Scheme.

(5) For the purposes of this clause the reimbursement by a State of the part of its administration expenses to be borne by it shall be taken not to be done in the operation of the Scheme.

#### *Pre-commitment of Assistance*

16. (1) Where the Minister has, upon the State establishing to the Minister's satisfaction that the circumstances so warrant, authorized the State during a financial year to commit to the Scheme financial assistance to be received under this agreement during the next succeeding financial year, the State may approve the provision of assistance under the Scheme to the extent of the amount or amounts that have been so authorized by the Minister.

(2) Any amounts that are approved by the State under sub-clause (1) shall be included in the amount of financial assistance to be made available by the Commonwealth to the State for the purposes of the Scheme as determined under clause 13 in respect of the financial year for which the amounts have been approved.

*Payments of Financial Assistance*

17. (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 Parts A and B assistance—in amounts equal to the interest subsidy payable by the Commonwealth in respect of a borrowing referred to in sub-paragraphs 6 (a) (i) and (ii) and 6 (b) (i) and (ii) of this agreement; and
- (b) in respect of Part C assistance—in amounts equal to the expenditure by the State (other than administration expenses) in the provision of those forms of assistance.

(2) The payments of interest subsidy by the Commonwealth in respect of a borrowing referred to in—

- (a) sub-paragraph 6 (a) (i) and 6 (b) (i) of this agreement shall be paid to the State at least seven days before the date on which the State is liable to pay interest on such borrowings; and
- (b) sub-paragraph 6 (a) (ii) and 6 (b) (ii) of this agreement shall be paid to the State at such times as will facilitate the discharge of the liability of the person referred to in those sub-paragraphs to pay the relevant amount of interest.

(3) The payments of financial assistance by the Commonwealth in respect of Part C assistance to the State shall be made quarterly in advance on receipt of estimates from the State setting out the amount which the State expects to expend in the quarter and an appropriate adjustment shall be made in the succeeding or subsequent quarters when the actual amount expended by the State on those forms of assistance is ascertained.

*Supporting Financial Evidence*

18. (1) A State shall furnish to the Minister such documents and other evidence to justify payment of any moneys to the State under the Scheme as the Minister may from time to time reasonably request, whether the request by the Minister is made before or after the Commonwealth has made the advance or a payment pursuant to the request by the State.

(2) Information furnished by a State pursuant to clause 18 (1) shall include details of accounts of borrowers from the State or otherwise under the Scheme in a format agreed from time to time by Commonwealth and State Ministers.

*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 July next succeeding the receipt of those moneys by the State.

*Audit*

20. (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 Minister in a form approved by the Minister as soon as possible after the completion of the financial year and no later than 31 December of the succeeding financial year.

#### *Other Financial Arrangements*

21. 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 relevant Commonwealth and State Ministers responsible for such financial arrangements.

### *IV—GENERAL*

#### *Review*

22. (1) 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.

(2) Where on a review of the operation of the Scheme, the Ministers of the Commonwealth and of the States consider that an amendment to the agreement should be made, the Commonwealth Minister will seek to have the agreement so amended.

#### *Exchange of Information*

23. State and Commonwealth Officers associated with the Scheme will meet together as appropriate and at least once in each year and exchange information on any matters pertinent to the Scheme, including trends in adjustment assistance being provided to persons in rural industries having regard to the outlook for the rural industries.

#### *Provision of Information and Review*

24. The State will supply to the Commonwealth from time to time such information regarding the operation of the Scheme by the State for purposes of monitoring and accountability as agreed by the Commonwealth and the States at review meetings.

#### *Report to Parliament*

25. The Minister shall on the basis of the information supplied by the States no later than 31 December of each financial year submit an annual report to the Parliament of the Commonwealth relating to the operation and effectiveness of the Scheme.

#### *Loan Council*

26. In the event that the Loan Council decides to include borrowings by the State for the purposes of Parts A and B assistance in borrowings subject to Loan Council control or oversight on terms which a State considered unacceptable, the Commonwealth and the States shall consult to determine whether any amendments should be made to this agreement.

#### *Cessation of Agreement by a State*

27. A State may, on giving at least a period of sixty days notice in writing to the Commonwealth, cease, subject to its performance thereafter of any outstanding obligation, to be a party to this agreement at the expiry of that period of notice.

## THE SCHEDULE

## RURAL ADJUSTMENT—OUTLINE OF SCHEME

## Part 1—General Principles

- (a) All agricultural, horticultural, pastoral, apicultural and aquacultural 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. Applicants must be primary producers relying primarily on income from primary production who are unable to obtain funds on reasonable terms and conditions from normal commercial sources.
- (c) The over-riding objective is to assist rural industry structural adjustment and to ease adjustment pressures through the provision of adjustment assistance to individual farmers who are considered to have the capacity to achieve and maintain a commercially viable farm business enterprise.
- (d) The State will avail itself of the best available advice on the technology and market prospects of all the industries included in the Scheme.
- (e) Companies will not be eligible for assistance unless the State, having considered the shareholdings and being satisfied that the shareholders are primary producers relying primarily on the income of the company for their livelihood, considers it appropriate to provide assistance.
- (f) In cases of Parts A and B assistance 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 State deems it necessary, it may require in respect of loans made by the State under the Scheme that moneys receivable on account of the property will be received by the State or its agent or a body nominated by the State, payments within the approved budgets being made through normal channels.
- (g) Repayment of advances made by the State and interest due thereon will be secured by the best and most appropriate security available, recognising that this may involve ranking after existing securities.
- (h) A transfer of the property or any interest therein before advances made by the State are repaid will be permitted only with the consent of the State 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.
- (i) The arrangements with the assisted farmer will be subject to regular review by the State. They may be terminated if the farmer ceases to work the property personally, fails to observe the obligations and undertakings under the arrangements or if the State decides that for any reason the farmer lacks reasonable prospects of successful economic operation. Otherwise the arrangements shall be terminable when the State decides that the farmer's prospects of successful economic operation are no longer dependent on the extension of concessional interest rates.

(j) The eligibility of an applicant for one form of assistance under this Scheme will not necessarily be affected by the applicant having applied for or receiving another form of assistance under the Scheme.

(k) The rate of interest payable on advances by the State and the amount of interest subsidy payable in respect of borrowings, otherwise than from the State, under the Scheme will be decided by the State in the circumstances of the particular case. The State will have the right to review

- (i) in respect of advances by the State, the interest rates and terms of repayment on individual accounts
- (ii) in respect of borrowings, otherwise than from the State, under the Scheme, the amount of interest subsidy payable

with the objective of the borrower being brought up to commercial interest rates as soon as circumstances permit.

## Part 2—Debt Reconstruction

### (1) Purpose

To assist an applicant who, although having sound prospects of long term commercial viability, has used all the applicant's cash and credit resources and cannot meet the applicant's financial commitments.

### (2) Tests of Eligibility

- (a) The applicant is unable to obtain finance on reasonable terms to carry on from normal commercial sources 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 possible with assistance 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 the applicant's 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 State may from time to time determine.

**(4) Method of Operation**

- (a) A re-arrangement and/or composition may take the form of the State advancing money or arranging for an offer of an advance of money to pay off in whole or part the creditors (whether or not the debts have been written down by the creditors under (b) below), excluding the Crown or providing interest subsidy in respect of borrowings otherwise than from the State under the Scheme. 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 or the interest subsidy previously referred to to assist with carry-on expenses, livestock purchase and further property development will be strictly limited to the minimum which the State considers is required to enable the applicant to carry on and free the applicant from dependence on the assistance within the term of the advances or the interest subsidy.
- (d) In exceptional cases, advances or an interest subsidy to assist with carry-on expenses and livestock purchase may be made to an applicant who is not yet in immediate danger of losing property or other assets but who, in the opinion of the State, 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 State is acting in combined interests of applicant and creditors, secured and unsecured.

**(5) Limits**

The State shall have discretion to determine:

- (a) The terms and conditions of any loan made by the State under the Scheme. 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 advances which may be made by the State in any one case.
- (d) The level of interest subsidy in respect of borrowings otherwise than from the State under the Scheme.

## 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 proportions 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 the owner is obliged to sell.
- (b) The purchaser is unable to obtain the finance applied for on reasonable terms from normal commercial sources.
- (c) The State 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 is not of sufficient size to offer sound prospects of long term commercial viability.
- (e) The term "adjoining holding" includes land which is within a reasonable working distance of the farm under consideration where there is no impediment to the two or more farms being worked as a single unit.

## (3) Nature of Assistance

The provision to the purchaser of finance or an interest subsidy in respect of borrowings otherwise than from the State under the Scheme

- (a) to assist the purchase of an adjoining holding or part of an adjoining holding;
- (b) to assist with carry-on expenses, plant, stock and property development in respect of the additional land where not available from normal commercial sources.

## (4) Method of Operation

- (a) The provision of advances or the interest subsidy referred to above will only be made 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 State may purchase such properties 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 State 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 State could take the initiative to encourage an adjoining owner to purchase additional land where the State is aware that the owner of such land wished to leave the industry or accepts that the owner 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 State 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 State, in considering the transfer price of land, will have regard to its productivity value.
- (d) Where advances or an interest subsidy are made to assist with carry-on expenses, plant, stock and property development, the assistance will be strictly limited to the minimum which the State considers is required to enable the applicant to carry on and develop the built-up property.
- (e) While any advances by the State 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 commercially viable.

(5) Limits

The State shall have discretion to determine

- (a) The term and conditions of any loan made by the State under the Scheme. 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 State in any one case.
- (c) The level of interest subsidy in respect of borrowings, otherwise than from the State, under the Scheme.

Part 4—Farm Improvement

(1) Purpose

To assist the attainment of commercial viability of a farm by providing financial assistance to the applicant to improve the effective use of the existing farm without adding to its area.

(2) Tests of Eligibility

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

**(3) Nature of Assistance**

Advances or an interest subsidy in respect of borrowings, otherwise than from the State, under the Scheme to assist with plant and livestock purchases, 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.

**(4) Method of Operation**

- (a) Advances or the interest subsidy referred to above made for the purposes of this Part will be limited to the minimum which the State considers is required to enable the farmer to achieve the objective of the improvement program.
- (b) While any advances by the State in respect of improvement for which finance is provided under this Part remain unpaid or during the period that the interest subsidy is provided, 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**

The State shall have the discretion to determine

- (a) The term and conditions of any loan made by the State under the Scheme. 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 State in any one case.
- (c) The level of interest subsidy in respect of borrowings otherwise than from the State under the Scheme.

**Part 5—Carry-on Finance****(1) Purpose**

To provide assistance 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 drought or other natural disasters).

**(2) Tests of Eligibility**

- (a) The applicant has sound prospects of long term commercial viability having regard to the applicant's 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 normal commercial sources.
- (c) Assistance is merited and the applicant's difficulties are not substantially due to circumstances within the applicant's control.

**(3) Nature of Assistance**

Advances for essential carry-on expenses or an interest subsidy in respect of borrowings, otherwise than from the State, under the Scheme for the same purpose.

**(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 applicants within those rural industries and the Commonwealth will thereupon publish a notice to that effect in the Australian Government Gazette.
- (b) Applicants within those rural industries who fulfil the eligibility requirements set out above will then apply to the State in their own State for carry-on assistance.
- (c) Assistance will be made available at the discretion of the State and will be limited to the minimum which the State considers is required to enable the farmer to carry on.

**Part 6—Household Support****(1) Purpose**

To provide limited assistance to applicants facing conditions of financial hardship and who are considering whether to adjust out of farming.

**(2) Conditions of Eligibility**

- (a) The applicant must be ineligible for Parts A and or B assistance.
- (b) The applicant does not have sound prospects of long term commercial viability.
- (c) The applicant will suffer financial hardships which will be alleviated by assistance under these provisions.
- (d) The applicant must not at the time of application or whilst in receipt of household support be also in receipt of unemployment benefits.

**(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 the applicant if the applicant were eligible for unemployment benefits. An extension for a further two years may be allowed in those cases where the applicant has made a genuine effort to dispose of the applicant's productive assets at a market value acceptable to the State.
- (b) Where it would take some time to assess an applicant's entitlement, interim assistance may be granted by the State as a loan at a level of payment which would be applicable to the applicant if the applicant were eligible for unemployment benefits, provided there is a prima facie evidence of urgent need and unavailability of alternative sources of finance.
- (c) If the State 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 State determines that an applicant does not have a viable enterprise, the applicant will be eligible for household support assistance, and any interim assistance the applicant may have received will be regarded as part of household support assistance.
  - (f) Advances of household support assistance are to be paid to the applicant at intervals not exceeding three monthly. Prospective income for each period will be assessed by the State on the basis of declarations made by the applicant. Each applicant's income situation is to be reviewed by the State, on the basis of declarations made by the applicant, when further advances are to be made to the applicant.
  - (g) Where an applicant obtains employment or the applicant's income is higher than allowed for by the State when making an advance, the applicant shall notify the State and repay any excess household support assistance the applicant may have received.
  - (h) In the event of the State becoming aware that an applicant has received more than the applicant was entitled to, it may exercise its discretion in seeking repayment of the excess.
  - (i) At the end of the first period of twelve months for which an applicant receives household support assistance the advances made to the applicant may be automatically converted to a grant.
  - (j) If the applicant adjusts out of farming within three years of the time the applicant first received household support, any advances made to the applicant and not already converted to a grant may be so converted by the State.
  - (k) If an applicant does not adjust out of farming within three years after first receiving household support assistance any advances made to the applicant and not converted to a grant will be repayable to the State, together with interest accruing from the commencement of the advance, within a further period of seven years.
  - (l) An applicant who is eligible for household support and who is prepared to adjust out of farming may receive in lieu of household support assistance a lump sum payment to bring total payments received under the household support to \$8 000.
  - (m) For the purpose of these provisions an applicant is regarded as having adjusted out of farming when, in the judgement of the State, the applicant has effectively disposed of the applicant's productive resources.
- (4) Method of Operation
- The assistance will be provided at the discretion of the State.

#### Part 7—Rehabilitation

- (1) Purpose
- To provide limited assistance to applicants facing conditions of financial hardship who are obliged to adjust out of farming.
- (2) Conditions of Eligibility
  - (a) The applicant must be ineligible for Parts A and or B assistance.
  - (b) The applicant does not have sound prospects of long term commercial viability.

(c) Taking into account the financial position of the applicant after the applicant's property has been sold, the applicant will suffer financial hardship which will be alleviated by assistance under these provisions.

(3) Nature of Assistance

An advance of \$8 000 indexed to movements in the Consumer Price Index from 1 July 1985. The loan may be converted to a grant at any time by the State.

(4) Method of Operation

The assistance and conditions, if any, will be provided at the discretion of the State to applicants who comply with the conditions of eligibility.

IN WITNESS WHEREOF this Agreement has been executed by the parties as at the day and year first above written.

SIGNED on behalf of  
THE COMMONWEALTH OF  
AUSTRALIA

by the Honourable  
JOHN CHARLES KERIN,  
Minister for Primary Industry,  
in the presence of—.....

.....

SIGNED on behalf of  
THE STATE OF NEW SOUTH  
WALES

by the Honourable  
KENNETH GEORGE BOOTH,  
Treasurer,  
in the presence of—.....

.....

SIGNED on behalf of  
THE STATE OF VICTORIA

by the Honourable  
EVAN HERBERT WALKER,  
Minister for Agriculture and  
Rural Affairs,  
in the presence of—.....

.....

SIGNED on behalf of  
THE STATE OF QUEENSLAND

by the Honourable  
SIR JOHANNES BJELKE-  
PETERSEN, KCMG  
Premier,  
in the presence of—.....

.....

SIGNED on behalf of  
THE STATE OF WESTERN  
AUSTRALIA

by the Honourable  
HYWEL DAVID EVANS,  
Minister for Agriculture,  
in the presence of—.....

.....

SIGNED on behalf of  
 THE STATE OF SOUTH  
 AUSTRALIA  
 by the Honourable  
 FRANK TREVOR BLEVINS,  
 Minister for Agriculture,  
 in the presence of—.....

.....

SIGNED on behalf of  
 THE STATE OF TASMANIA  
 by the Honourable  
 ROBIN TREVOR GRAY,  
 Premier,  
 in the presence of—.....

.....

SIGNED on behalf of  
 THE NORTHERN TERRITORY of  
 AUSTRALIA  
 by the Honourable  
 STEPHEN PAUL HATTON,  
 Minister for Primary Production,  
 in the presence of—.....

.....

**FIRST AMENDING AGREEMENT**

between

**THE COMMONWEALTH—THE STATES—THE NORTHERN  
TERRITORY**

relating to

**(1986)**

**Australian Government Solicitor  
Robert Garran Offices  
BARTON ACT 2600**

AN AGREEMENT made the

day of

One thousand nine hundred and eighty-six between—

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

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 WESTERN AUSTRALIA of the fifth part,

THE STATE OF SOUTH AUSTRALIA of the sixth part,

THE STATE OF TASMANIA of the seventh part, and

THE NORTHERN TERRITORY OF AUSTRALIA of the eighth part  
(in this agreement called “the States” and “the Northern Territory”  
respectively).

WHEREAS—

- (A) the Commonwealth, the States and the Northern Territory entered into an agreement dated 26 September 1985 (in this agreement called “the Principal Agreement”) for the provision of assistance to persons engaged in rural industries throughout Australia in the interest of those industries and of Australia generally;
- (B) the Commonwealth, the States and the Northern Territory have agreed that the Principal Agreement should be amended as provided by this agreement.

NOW IT IS HEREBY AGREED as follows:

1. This agreement shall be deemed to have commenced operation on the date the Principal Agreement came into force.
2. Upon coming into force, this agreement shall be incorporated into and read as part of the Principal Agreement.
3. Sub-clause 3 (1) of the Principal Agreement is amended by deleting the definition of 'average outstanding loans' and inserting the following definition in its place:

“average outstanding loans” means half the total indebtedness arising from the operation of the Scheme in a State, whether borrowings by the State or otherwise than by the State, as is within the amount determined by the Commonwealth which should be subsidised under sub-clauses 13 (1) and 13 (3) for each year up to 7 years.’
4. Sub-clause 4 (2) of the Principal Agreement is deleted and the following sub-clause is inserted in its place:

‘(2) The interest subsidy referred to in sub-paragraphs (a) and (b) of clause 6 shall not exceed 50% of the rate or rates of interest and of associated costs set by a lender or lenders nominated from time to time for the purpose by the Minister and agreed to by State Ministers.’
5. Clause 4 of the Principal Agreement is amended by adding a new sub-clause (5) as follows:

‘(5) Borrowings referred to in sub-paragraphs (a) (i) and (ii) and (b) (i) and (ii) of clause 6 are the total borrowings which the Commonwealth determines under sub-clauses 13 (1) and 13 (3) will be subsidised.’
6. Sub-paragraph (a) of clause 10 of the Principal Agreement is deleted and the following sub-paragraph inserted in its place:

‘(a) Under Parts A and B an amount equal to 1 per cent of so much of the amount of average outstanding loans as relates to borrowings which the Minister determines should be subsidised by the Commonwealth under those Parts.’
7. Sub-clause 13 (1) of the Principal Agreement is amended by deleting the words 'borrowing which the Commonwealth considers feasible to subsidise' in the first sentence of the sub-clause and inserting in their place the words 'borrowings which the Commonwealth determines should be subsidised.’

IN WITNESS WHEREOF this Agreement has been executed by the parties as at the day and year first above written.

SIGNED on behalf of THE COMMONWEALTH OF AUSTRALIA by the Honourable JOHN CHARLES KERIN, Minister for Primary Industry, in the presence of—

.....

SIGNED on behalf of THE STATE OF NEW SOUTH WALES by the Honourable KENNETH GEORGE BOOTH, Treasurer, in the presence of—

.....

SIGNED on behalf of THE STATE OF VICTORIA by the Honourable EVAN HERBERT WALKER, Minister for Agriculture and Rural Affairs, in the presence of—

.....

SIGNED on behalf of THE STATE OF QUEENSLAND by the Honourable SIR JOHANNES BJELKE-PETERSEN, Premier, in the presence of—

.....

SIGNED on behalf of THE STATE OF WESTERN AUSTRALIA by the Honourable JULIAN FLETCHER GRILL, Minister for Agriculture, in the presence of—

.....

SIGNED on behalf of THE STATE OF SOUTH AUSTRALIA by the Honourable MILTON KYM MAYES, Minister for Agriculture, in the presence of—

.....

SIGNED on behalf of THE STATE OF TASMANIA by the Honourable ROBIN TREVOR GRAY, Premier, in the presence of—

.....

