

This PUBLIC BILL originated in the LEGISLATIVE ASSEMBLY, and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.

R. E. WARD,
Clerk of the Legislative Assembly.

*Legislative Assembly Chamber,
Sydney, 20 March, 1975.*

New South Wales



ANNO VICESIMO QUARTO

ELIZABETHÆ II REGINÆ

Act No. , 1975.

An Act to approve and ratify an Agreement between the Commonwealth and the State of New South Wales in relation to the Commonwealth Dairy Adjustment Program; to amend the Farmers' Relief Act, 1932, in certain respects; to validate certain matters; and for purposes connected therewith.

BE

Dairy Adjustment Programme Agreement Ratification.

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

1. This Act may be cited as the "Dairy Adjustment Short title. Programme Agreement Ratification Act, 1975".

2. (1) In this Act, "Dairy Adjustment Programme Interpretation. Agreement" means the agreement, a copy of which is set out in the Schedule.

(2) Subject to subsection (3), for the purposes of this Act and the Dairy Adjustment Programme Agreement, the Authority is the State of New South Wales or an instrumentality designated by the Minister to be the Authority for the purposes of this Act and the Dairy Adjustment Programme Agreement.

(3) Any instrumentality that was, immediately before the commencement of this Act, the Authority for the purposes of the Marginal Dairy Farms Reconstruction Scheme Agreement Ratification Act, 1971, shall, on that commencement, be deemed to have been designated by the Minister under subsection (2) to be the Authority for the purposes of this Act and the Dairy Adjustment Programme Agreement.

3. The agreement, a copy of which is set out in the Ratification. Schedule, is hereby approved, ratified and confirmed.

4. (1) The Dairy Adjustment Programme Agreement Implementation. may be carried into effect notwithstanding the provisions of any other Act.

(2)

Dairy Adjustment Programme Agreement Ratification.

(2) All acts, matters and things for or with respect to which provision is made in the Dairy Adjustment Programme Agreement, or which by the Dairy Adjustment Programme Agreement are agreed, directed, authorised or permitted to be made, done or executed by or on behalf of the Minister or the Treasurer or the Auditor-General or the Authority are hereby sanctioned, authorised and confirmed.

5. Any act, matter or thing—

Validation.

- 10 (a) which by the Dairy Adjustment Programme Agreement is agreed, directed, authorised or permitted to be made, done or executed;
- (b) which was made, done or executed on or after 13th December, 1974, but before the commencement of this Act; and
- 15 (c) which would have been lawful if this Act had been in force at the time the act, matter or thing was made, done or executed,

is hereby validated.

6. (1) In this section, “acquire”, “land” and “reconstruction land” have the meanings respectively ascribed thereto in the Dairy Adjustment Programme Agreement. Acquisition of certain land.

(2) Any land to be acquired for the purposes of the Dairy Adjustment Programme Agreement by the Authority may be so acquired, notwithstanding—

- 25 (a) that any consent or permission required under the Crown Lands Consolidation Act, 1913, the Closer Settlement Acts, or the Returned Soldiers Settlement Act, 1916, has not been obtained or granted; or

(b)

Dairy Adjustment Programme Agreement Ratification.

5 (b) that the Authority may not be qualified under the Crown Lands Consolidation Act, 1913, the Closer Settlement Acts, or the Returned Soldiers Settlement Act, 1916, to hold land of the tenure to be so acquired by the Authority.

(3) For the purposes only of this section—

10 (a) the provisions of the Crown Lands Consolidation Act, 1913, the Closer Settlement Acts, and the Returned Soldiers Settlement Act, 1916, and any regulations under any of those Acts; and

(b) any condition attaching to any land in pursuance of any of those provisions,

shall be deemed to be amended or varied so as to give full force and effect to any of the provisions of this section.

15 (4) The Minister for the time being administering section 15 of the Forestry Act, 1916, may apply to acquire, and may acquire, reconstruction land under the Dairy Adjustment Programme Agreement for the purpose of a State forest (within the meaning of that Act) or to provide access thereto,
20 and any reconstruction land so acquired shall be dealt with as if it had been purchased in the manner referred to in that section.

(5) Where any land vested by virtue of section 5 (2) of the Marginal Dairy Farms Reconstruction Scheme Agree-
25 ment Ratification Act, 1971, in the instrumentality (within the meaning of that subsection) has, on or after 13th December, 1974, been disposed of or is, after the commence-
ment of this Act, disposed of by the instrumentality for the purposes of the Dairy Adjustment Programme Agreement,
30 neither the Registrar-General, nor any other person registering

title

Dairy Adjustment Programme Agreement Ratification.

title to the land, nor the person to whom the land is disposed of, nor any other person, shall be concerned to inquire whether or not the land was so vested in the instrumentality, providing the instrument evidencing the disposition is endorsed with or
5 accompanied by a certificate executed by the instrumentality certifying that the land therein referred to had vested in the instrumentality by virtue of section 5 (2) of that Act.

7. The Farmers' Relief Act, 1932, is amended—

Amendment
of Act No.
33, 1932.

- 10 (a) by omitting section 40D (1) and by inserting instead the following subsection :—
- (1) In this section, "the Agreements" means the Agreement within the meaning of the Marginal Dairy Farms Reconstruction Scheme Agreement Ratification Act, 1971, and the Dairy Adjustment Programme Agreement within the meaning of the Dairy Adjustment Programme Agreement Ratification Act, 1975.
- 15
- 20 (b) by omitting from section 40D (2) the words "If the Board is designated to be the Authority for the purposes of the Ratification Act" and by inserting instead the words "While the Board is designated to be the Authority for the purposes of the Acts referred to in subsection (1)";
- 25 (c) by omitting from section 40D (3) and (4) the word "Agreement" wherever occurring and by inserting instead the word "Agreements".

Sec. 40D.
(Dairy
Farms
Agree-
ments.)

Dairy Adjustment Programme Agreement Ratification.

SCHEDULE.

AN AGREEMENT made the thirteenth day of December One thousand nine hundred and seventy-four between THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA (in this agreement called "the Australian Government") of the one part and THE GOVERNMENT OF THE STATE OF NEW SOUTH WALES (in this agreement called "the New South Wales Government") of the other part.

WHEREAS—

- 10 (A) the Australian Government and the New South Wales Government mutually recognize the desirability of continuing to facilitate the process of dairy farm adjustment in order to alleviate the serious low income problem within the dairy industry;
- 15 (B) by the Marginal Dairy Farms Agreements Act 1970 provision was made for financial assistance to the States for the purposes of marginal dairy farms reconstruction schemes to be operated by the States in accordance with that Act;
- 20 (C) an Agreement was made in pursuance of that Act between the Australian Government and the New South Wales Government the First day of June 1971 (in this agreement called "the Principal Agreement") under which a scheme has been established to enable payments of financial assistance to be made to the New South Wales Government;
- 25 (D) the payments by the Australian Government provided for by the Principal Agreement for the purposes of the said scheme were amounts equal to amounts expended by the State prior to the twenty-sixth day of July 1974;
- 30 (E) the said Act has been amended by the Marginal Dairy Farms Agreements Act 1974 to enable a scheme referred to therein to be broadened and to extend in time and to increase in total amount the financial assistance that may be paid to the States thereunder;
- 35 (F) the Australian Government and the New South Wales Government are in agreement that the Principal Agreement should be varied as hereinafter set out in order that the additional assistance provided by the amending Act may be made available to the dairy industry in New South Wales:

Now

Dairy Adjustment Programme Agreement Ratification.

5 NOW IT IS HEREBY AGREED that as from the date of this agreement the Principal Agreement is varied so that its provisions are as set out hereunder AND THAT, without prejudice to the continuance of the Scheme under and by virtue of the Principal Agreement, the provisions set out hereunder shall on and after the date of this agreement have effect with respect to and shall apply to the operation of that Scheme:

I—DEFINITIONS.

1. In this agreement, unless the contrary intention appears— Definitions

10 "acquire" includes accept the surrender of a leasehold interest and "acquisition" has a corresponding meaning;

"amalgamation" means the addition of reconstruction land to land held by an applicant;

15 "applicant" means a person or persons applying to participate under the Scheme and includes a company partnership or Crown instrumentality or authority so applying;

"clause" means clause of this agreement;

"disposal" includes the surrender or grant of a leasehold interest and "dispose of" has a corresponding meaning;

20 "economic unit" means a rural property which, in the opinion of the Authority, has under average efficient management the continuing capacity to produce a reasonable level of income, being a level that provides a sufficient return on capital investment and an adequate reward for the operator's labour and management skill plus a margin to permit needed
25 development and adjustment to changing future conditions, based on the requirement, where the property is to be used primarily for dairying and purposes incidental to dairying, that the property shall have facilities of such standards as may from time to time be agreed by the Minister and the
30 State Minister for producing high quality milk;

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

"holding" means the land offered by an applicant for disposal under the Scheme;

"land"

Dairy Adjustment Programme Agreement Ratification.

- “land” includes a leasehold interest in land;
- 5 “marginal dairy farm” means a rural property not less than one half of the gross income from which is obtained from the production of milk or cream that is derived from not less than twenty lactating cows, and which rural property, if used only for dairying and purposes incidental to dairying, is not in the opinion of the Authority an economic unit;
- “price” includes the consideration for the surrender of a leasehold interest;
- 10 “reconstruction land” means land acquired by the Authority under the Scheme;
- “State” means the State of New South Wales;
- “structural improvements” includes houses, bails, sheds, fencing, stock yards and water supplies;
- 15 “the Act” means the Marginal Dairy Farms Agreements Act 1970–1974 and includes any amendments that may from time to time be made to that Act;
- “the Authority” means the State or the instrumentality or authority designated by the State to operate the Scheme on behalf of the State;
- 20 “the Minister” means the Minister for Agriculture of the Australian Government and includes a Minister or other member of the Executive Council for the time being acting for that Minister;
- 25 “the Scheme” means the Marginal Dairy Farms Reconstruction Scheme operated by the State in accordance with the provisions of this agreement;
- “the State Minister” means the Minister of the State from time to time responsible for the administration of the Scheme on the part of the State and includes a Minister of the State for the time being acting on behalf of that Minister;
- 30 “the State Treasurer” means the Treasurer of the State and includes a Minister of the State for the time being acting on behalf of the Treasurer of the State;
- 35 “the Treasurer” means the Treasurer of the Australian Government and includes a Minister or other member of the Executive Council for the time being acting for the Treasurer.

II—OBJECTIVES

Dairy Adjustment Programme Agreement Ratification.

II—OBJECTIVES.

2. The State shall operate a Marginal Dairy Farms Reconstruction Scheme in accordance with the provisions of this agreement. State to operate Scheme
3. The Australian Government shall provide financial assistance to the State for the purposes of the Scheme upon the terms and conditions set out in this agreement. Provision of financial assistance
4. The Scheme shall— Acquisitions and disposals
- (a) to the extent that financial assistance is available to the State under this agreement and subject otherwise to the provisions of this agreement, provide for the making of agreements between the Authority and the owners of land comprised in marginal dairy farms in the State for the disposal of the land, including structural improvements thereon, to the Authority at prices based on market values current at the time of disposal; and
- (b) provide for the disposal by the Authority of land that becomes available for such disposal as a result of acquisitions under the Scheme, but so that—
- (i) subject to the next succeeding sub-paragraph, the price or rent in respect of such a disposal shall be based upon market values current at the time of disposal, having regard to the type of land use proposed and, if the Authority so desires, after taking into account costs incurred by the Authority in respect of the land after acquisition;
- (ii) the applicant obtaining land from the Authority will not be required to pay for structural improvements on the land that in the opinion of the Authority are unsuitable or redundant in relation to the proposed use of the land by the applicant;
- (iii) land will not be disposed of for use primarily for dairying unless it is to be used as part of a rural property that constitutes at least an economic unit; and
- (iv) disposals will be made so as to encourage the most practicable and economic use of land.

Dairy Adjustment Programme Agreement Ratification.

5. The Scheme may encompass such forms of assistance other than Other the assistance referred to in clause 4 as are provided for in this forms of agreement, including assistance to persons to leave dairying. assistance

III—OPERATION OF SCHEME.

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A—AMALGAMATIONS.

6. Applicants wishing to dispose of holdings under the Scheme shall be eligible to participate in the Scheme provided that the holding concerned is a marginal dairy farm and the applicant has been operating the holding for a period of not less than two years prior to the date of the application to participate in the Scheme or for such other period as the State Minister or a person authorised by the State Minister for the purpose may deem appropriate where special circumstances obtain. Eligibility of outgoing dairy farmers

7. (1) When acquiring holdings under the Scheme the Authority will do so in accordance with the following— Acquisition of land by Authority

- (a) holdings shall be acquired at a price agreed by negotiation between the applicant or his nominated agent and the Authority;
- (b) holdings shall be acquired without plant or livestock;
- 20 (c) the price shall be based on the current market value of the holding, including the value of structural improvements, according to the system of tenure under which the holding is held;
- 25 (d) on completion of the acquisition the Authority shall receive an unencumbered title to the holding.

(2) The Authority will, upon acquiring a holding, make an estimate of the portion of the price of the holding that is attributable to structural improvements.

8. (1) Notwithstanding any other provision of this agreement, the Authority may give approval to the disposal by the owner of a marginal dairy farm of land comprised in the farm (including structural improvements to the land) to a person (in this clause referred to as 'the purchaser') other than the Authority provided that— Approval to dispose

- 35 (a) the price of the land and any improvements is based on market values current at the time of disposal;

(b)

Dairy Adjustment Programme Agreement Ratification.

- (b) the requirements specified in sub-paragraphs (iii) and (iv) of paragraph (b) of clause 4 are met; and
- (c) land shall not be disposed of for rural uses that are not primarily dairying unless it is to be used as part of a rural property that constitutes at least an economic unit.

(2) Where approval is given to the disposal of land in accordance with sub-clause (1) of this clause the Authority may, for the purpose of assisting the purchaser to acquire the land—

- (a) pay to the purchaser an amount equal to the amount by which the price to be paid by the purchaser exceeds the price that he would have been required to pay if he had acquired the land from the Authority under the Scheme; and
- (b) make a loan to the purchaser of an amount not exceeding the amount by which the price exceeds the amount referred to in sub-paragraph (a) of this sub-clause.

9. Pending disposal reconstruction land may be utilised by the Authority as it deems fit, including short term lease. Use of land held by Authority

10. Applicants wishing to obtain reconstruction land will be eligible to participate in the Scheme provided that— Eligibility of applicants applying for reconstruction land

- (a) where the reconstruction land is to be used for amalgamation—the applicant is the owner of land or the occupier of land under the Crown Lands or other pertinent legislation of the State, such land being, in the opinion of the Authority, suitable for amalgamation; and
- (b) where the reconstruction land is not to be used for amalgamation—the applicant wishes to obtain the land for a forestry undertaking or for any other purpose except dairying, the Authority being satisfied that it is appropriate to use the land for that purpose.

11. When disposing of reconstruction land or when providing assistance to an applicant to purchase land under the Scheme, the Authority will do so in accordance with the requirements specified in sub-paragraphs (iii) and (iv) of paragraph (b) of clause 4 and paragraph (1) (c) of clause 8. Disposal of land by Authority

Dairy Adjustment Programme Agreement Ratification.

12. (1) The Authority may for the purpose of the implementation of the Scheme dispose of reconstruction land in such manner as it may determine in keeping with the objectives of the Scheme. Manner of disposal of land by Authority

(2) Holdings acquired by the Authority may be sold as a whole or in parts or together with other reconstruction land, according to individual circumstances.

(3) In the event of there being more applicants of apparent equal merit for reconstruction land than can be satisfied, allotment may be decided by ballot.

10 13. (1) Reconstruction land disposed of under the Scheme shall be disposed of for a tenure and on terms and conditions that accord with the practice in the State and the provisions of this agreement. Terms and conditions of disposal

(2) The terms and conditions shall be based on fair market value at the time of disposal having regard to the tenure and to the type of land use proposed.

(3) The terms and conditions of disposal for amalgamation shall include conditions prohibiting the disposal, after amalgamation, by any means of any interest in any part of the amalgamated property during any period in respect of which money is owed or payable to the Authority by the applicant who obtains the reconstruction land, except with the consent of the State Minister or a person authorised by the State Minister for the purpose.

(4) Those structural improvements on reconstruction land disposed of by the Authority and which the Authority indicates as being available for purchase and which the applicant designates as being useful will be sold to the applicant at values agreed with the Authority according to their usefulness to the applicant after amalgamation.

(5) Where the purchaser of reconstruction land is the owner of a rural property and has acquired the land under the Scheme for the purpose of incorporating it into the rural property and that incorporation has had the effect of causing structural improvements that were, at the time of acquisition, on the rural property to become unsuitable or redundant in relation to the proposed use by the purchaser of the combined property, the Authority may pay to the purchaser an amount in respect of the loss of value to the purchaser of those improvements.

Dairy Adjustment Programme Agreement Ratification.

(6) Assistance as provided in the preceding paragraph shall not be given with respect to structural improvements that are not ordinarily used for dairy purposes unless the giving of the assistance is approved by the Minister or a person authorised by the Minister for the purpose and by the State Minister or a person authorised by the State Minister for the purpose.

14. (1) Structural improvements on reconstruction land which are not purchased by an applicant as provided in sub-clause (4) of clause 13 and which the Authority considers might otherwise be used for dairying shall be disposed of by tender, public auction or otherwise, for removal or in situ with a small area of land.

(2) Structural improvements which the Authority is satisfied will not be used for dairying may be dealt with as the Authority considers fit.

15. (1) Subject to sub-clause (2) of this clause, the Authority may, on such terms and conditions as the Authority sees fit—

(a) make loans to persons who have acquired land under the Scheme, being loans for the purpose of developing the land acquired, by one or more of the following methods, as a rural property :—

(i) the improvement of, or the erection of structural improvements on that land;

(ii) the purchase of livestock and equipment; and

(b) make loans to persons referred to in paragraph (a) for the purpose of meeting the whole or a part of the cost of working the land acquired as a rural property during the period of development.

(2) The assistance provided for by this clause shall not be given unless the Authority is satisfied that the person concerned has been unable to obtain a loan on reasonable terms from normal financial sources for the purposes for which the assistance is to be given.

15A. Notwithstanding any other provision of this agreement, the Authority may, where the Minister or a person authorised by the Minister for the purpose and the State Minister or a person authorised by the State Minister for the purpose are satisfied that a proposed acquisition or a proposed disposal (including a disposal referred to in clause 8), or a proposed acquisition and subsequent disposal, under the Scheme, of land comprised in a rural property, not being a

marginal

Dairy Adjustment Programme Agreement Ratification.

marginal dairy farm, would assist adjustment in the dairying industry, deal with the land under the Scheme as proposed as if the property were a marginal dairy farm.

B—CHANGEOVER TO REFRIGERATED BULK MILK DELIVERY.

5 15BA. (1) Subject to clause 15BC, the Authority may make interest-free loans to the owners of marginal dairy farms for the purpose of—
Loans for installation of vats

10 (a) meeting, in the case of a particular farm, the cost of the purchase and installation on the farm of a refrigerated vat of such size and standards as may from time to time be agreed by the Minister or a person authorised by the Minister for the purpose and the State Minister or a person authorised by the State Minister for the purpose, for the storage of whole-milk intended for use as fluid milk for human consumption or in the manufacture of butter, cheese or other products; and

15 (b) making such other improvements on the farm as are required to enable the whole-milk in the vat to be collected from the farm.

20 (2) This clause shall be deemed for the purposes of this agreement to have come into effect on the 21st August 1974 and to be operative in respect of a purchase and installation effected or improvements made on and from that date.

25 15BB. Subject to clause 15BC, the Authority may make interest-free loans to the owners of marginal dairy farms for the purpose of repaying amounts borrowed by them on or after the 23rd July 1973 and before the 21st August 1974 for a purpose specified in clause 15BA and not repaid, and may make payments for the purpose of reimbursing the owners of marginal dairy farms for the interest paid by them on moneys so borrowed.
Repayment of borrowings

35 15BC. (1) Before a loan is made under the Scheme in accordance with clause 15BA or clause 15BB, the Authority will consult with the management of the factory which the applicant supplies to satisfy itself that the factory proposes to make bulk milk collections from the applicant's farm during the period that the applicant will be required to repay the loan.
Conditions for loans

40 (2) The assistance provided for by clauses 15BA and 15BB shall not be given under the Scheme in the case of a particular farm unless the Authority is satisfied that there is a reasonable prospect that, by reason of the assistance and considering other assistance provided under the Scheme in respect of the farm, the farm will be an economic unit.

(3)

Dairy Adjustment Programme Agreement Ratification.

- (3) It shall be a condition of a loan under the Scheme in accordance with clause 15BA or 15BB that the borrower is to be liable to make additional payments, as determined by the Authority, in the event of failure to repay an instalment of the loan on, or within a specified period after, the due date for that repayment. Such payments may take the form of interest calculated on the outstanding balance of the loan at a rate determined by the Authority.

C—DEVELOPMENT ASSISTANCE.

- 15CA. The Authority may make loans to the owners of marginal dairy farms, on such terms and conditions as the Authority deems appropriate in the circumstances of the case, for the purpose of meeting, in the case of a particular farm—

- (a) the cost of developing the farm to the point where the farm has the continuing capacity to produce from dairying or activities incidental to dairying a reasonable level of income, being a level which makes the farm an economic unit; and
- (b) the whole or a part of the cost of carrying on the farm during the period of development.

- 15CB. Assistance under the Scheme in accordance with clause 15CA shall not be given unless the Authority is satisfied that the person to be assisted has been unable to obtain a loan on reasonable terms from normal financial sources for the purposes for which the assistance is given.

D—DIVERSIFICATION ASSISTANCE.

- 15DA. Subject to clause 15DB, the Authority may—

- (a) make loans to the owners of marginal dairy farms, on such terms and conditions as it deems appropriate, for the purpose of meeting, in the case of a particular farm, the cost of converting by one or more of the following methods, the farm, wholly or in part, to a rural use other than dairying:
- (i) the acquisition of land adjoining, or within a reasonable working distance of, the farm for the purpose of working that land and land comprised in the farm as a single unit;

(ii)

Dairy Adjustment Programme Agreement Ratification.

- (ii) the improvement of, or the erection of structural improvements on land comprised in the farm, including any land referred to in sub-paragraph (i);
 - (iii) the purchase of livestock or equipment;
- 5 (b) make loans to the owners of marginal dairy farms that are, wholly or in part, being converted to a rural use other than dairying for the purpose of meeting, in the case of a particular farm, the whole or a part of the cost of carrying on the farm during the period of conversion;
- 10 (c) where milking plant or dairy bails on a marginal dairy farm that is, wholly or in part, being converted to a rural use other than dairying will lose some or all of its or their value to the owner of the farm after the conversion of the farm has been effected—pay to the owner of the farm an amount equivalent to the loss in value which the Authority considers has occurred.
- 15

15DB. Assistance under the Scheme in accordance with clause 15DA shall not be given in the case of a particular farm unless the Authority is satisfied that—

Conditions of assistance

- 20 (a) the proposed use of land comprised in the farm (including any land proposed to be acquired) will be a more practicable and economic use of the land than dairying;
- (b) there is a reasonable prospect that, by reason of the assistance, the farm (including any land proposed to be acquired) will produce a reasonable level of income, being a level which makes the farm an economic unit; and
- 25 (c) the person to be assisted has been unable to obtain a loan for the relevant purpose on reasonable terms from normal financial sources.

30 E—RELOCATION ASSISTANCE.

- 15E. (1) The Authority may make loans (including interest-free loans) on such terms and conditions as it deems appropriate in the circumstances of the case, to persons, who after the 21st August 1974 have disposed of, or dispose of, to or with the approval of the Authority rural properties that are at the time of disposal marginal dairy farms, being loans for the purpose of alleviating conditions of personal hardship being borne by the person concerned or a dependant of that person.
- Loans on disposal

Dairy Adjustment Programme Agreement Ratification.

(2) The maximum amount for a loan made in accordance with this clause shall be Three thousand dollars (\$3000) in any one case or such other amount as may be agreed from time to time by the Minister and the State Minister.

5

F—GENERAL.

16A. The Authority shall not be under any obligation under the Position of Scheme to acquire any particular holding or approve of any particular authority application.

10 16B. Matters in connexion with the Scheme not provided for in this Other agreement (other than financial arrangements) shall be carried out operational as agreed from time to time by the Minister and the State Minister. arrangements

IV—FINANCIAL ARRANGEMENTS.

15 17. (1) Subject to and to compliance by the New South Wales Financial Government and the Authority with the provisions of this agreement, assistance the Australian Government shall, in accordance with and subject to the provisions of this agreement, provide, out of a total sum of Forty-three million dollars (\$43,000,000) available to all the States, financial assistance to the State for the purposes of the Scheme.

20 (2) The financial assistance shall consist of amounts equal to the amounts expended by the Authority in accordance with applications under the Scheme lodged with, and approved by, the Authority before the 1st July 1976 and for the purposes of this Part IV of this agreement is classified as—

25 (a) loans and payments in relation to the change-over to refrigerated bulk milk delivery in accordance with clauses 15BA and 15BB; and

(b) other expenditure by the Authority in accordance with the Scheme.

30 18. Notwithstanding anything contained in this agreement, the Total Australian Government shall not be obliged to make payments of financial assistance to the State under this agreement if the making of the payment would mean that payments by the Australian Government under this agreement and under agreements with other States in respect of like schemes would exceed in total the said sum of 35 Forty-three million dollars (\$43,000,000).

Dairy Adjustment Programme Agreement Ratification.

19. (1) The Treasurer may, at such times and in such amounts as he thinks fit, make advances on account of the payments that may be made by the Australian Government under clause 21. Advances
- 5 (2) An amount or part of an amount advanced by the Treasurer under this clause may be deducted by the Australian Government from an amount that subsequently becomes payable under clause 21 or, if no further amounts will become payable under that clause, shall be refunded by the State to the Australian Government at the request of the Treasurer.
- 10 20. The New South Wales Government 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. Use of advances
- 15 21. The Australian Government shall, from time to time, at the request of the New South Wales Government 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. Payments of financial assistance
- 20 22. (1) The New South Wales Government shall furnish to the Treasurer such documents and other evidence to justify the making of an advance under clause 19 or in support of a request by the New South Wales Government for a payment to it by the Australian Government under clause 21 as the Treasurer may from time to time reasonably request, whether the request by the Treasurer is made before or after the Australian Government has made the advance or a payment pursuant to the request by the New South Wales Government. Supporting financial evidence
- 25 (2) Any statement of expenditure by the New South Wales Government furnished to the Treasurer in connexion with a request for a payment under clause 21 shall be certified by the Auditor-General of the State as to its correctness in accordance with the books and documents of the Authority.
- 30 23. Interest at the rate of six per centum per annum shall accrue in respect of so much of each amount that has been advanced or paid to the State under this agreement in respect of expenditure referred to in paragraph (2) (b) of clause 17 as is repayable and has not for the time being been refunded or repaid to the Australian Government calculated from the date upon which the advance or payment was made by the Australian Government and compounded with half-yearly rests. Interest

Dairy Adjustment Programme Agreement Ratification.

24. (1) Subject to the provisions of this clause, the State shall **Repayments** repay to the Australian Government the whole of the payments made to the State under clause 21 in respect of assistance by way of loans referred to in paragraph (2) (a) of clause 17 and of the advances of such assistance made to the State and not refunded under clause 19 by twenty (20) equal consecutive half-yearly payments, the first payment to be made on the fifteenth day of July of the first financial year that occurs after the payment or advance was made by the Australian Government to the State and subsequent payments to be made on each succeeding fifteenth day of January and fifteenth day of July until the full amount of the repayment has been paid.

(1A) Subject to the provisions of this clause, the State shall repay to the Australian Government one half of each payment made to the State under clause 21 in respect of assistance referred to in paragraph (2) (b) of clause 17 and one half of so much of each advance of such assistance made to the State and as is not refunded under clause 19, together with the interest referred to in clause 23, by forty-six (46) equal consecutive half-yearly payments, the first payment to be made on the fifteenth day of July of the second financial year that wholly occurs after the payment or advance was made by the Australian Government to the State and subsequent payments to be made on each succeeding fifteenth day of January and fifteenth day of July thereafter until the full amount of the repayment, including interest, has been paid.

25. (1) In addition to making payments in accordance with clause **Prepay-** 24, the State may on the fifteenth day of January or on the fifteenth day of July in any year, after the State Treasurer has given to the Treasurer notice in writing of at least one month of the intention to do so, pay to the Australian Government 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 at the rate of six per centum per annum shall accrue on amounts paid by the State in respect of assistance under paragraph (2) (b) of clause 17 in accordance with sub-clause (1) of this clause, calculated from the date of payment and compounded with half-yearly rests on each fifteenth day of January and fifteenth day of July.

(3) When on any fifteenth day of January or fifteenth day of July the payment due by the State under clause 24 exceeds the amount by which the unrepaid balance of the total amount repayable under that clause together with (where applicable) interest accrued on that total amount up to and including that date exceeds the total of

Dairy Adjustment Programme Agreement Ratification.

of the amounts paid by the State to the Australian Government in accordance with sub-clause (1) of this clause together with (where applicable) interest accrued on those amounts up to and including that date under sub-clause (2) of this clause, the State shall pay to the
5 Australian Government the amount of the second-mentioned excess in lieu of the amount due under clause 24 and no further payments shall be required to be made by the State to the Australian Government under that clause.

26. (1) The New South Wales Government agrees that the Scheme
10 will be operated in such a way that, taking into account its experience with other schemes of rural assistance and the normal expectations as to factors that affect farmers' incomes that are current at the date of this agreement, the amount received by the Authority in the course of the operation of the Scheme could be reasonably expected to equal
15 the State's costs of administration and the payments of principal and interest which the State is required to make to the Australian Government under this agreement.

Financial
administra-
tion and
adjustments

(2) Should the New South Wales Government certify that
20 after allowing for the State's administrative costs, the State incurred losses under the Scheme from circumstances beyond its control arising after the date of this agreement and disadvantageous compared with past experience and normal expectations as to factors that affect farmers' incomes referred to in sub-clause (1) of this clause, the
25 Australian Government agrees to review the position with the New South Wales Government with a view to adjusting amounts payable to the Australian Government by the State under this agreement to the extent of such losses.

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

27. The New South Wales Government shall prepare and furnish
35 the Treasurer not later than the thirtieth day of April in each year a statement or statements showing the estimated expenditure necessary to operate the Scheme during the next financial year and estimates of the amounts that the New South Wales Government will request the Australian Government to pay to the State under this agreement dur-
40 ing that financial year.

Financial
estimates

Dairy Adjustment Programme Agreement Ratification.

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

5 (2) Until such time as the total amount of the financial assistance to be provided to the State has been provided by the Australian Government and applied by the State in accordance with this agreement and supporting evidence to the satisfaction of the Treasurer in relation to all amounts advanced or paid by the Australian Government has been furnished by the New South Wales Government, a
10 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, indicating whether the expenditure of moneys is in accordance with this agreement and including reference to such other matters arising out of the audits
15 as the Auditor-General of the State considers should be reported to the Treasurer.

29. Financial arrangements in connexion with the Scheme other **Other** than those provided for in this agreement shall be carried out as **financial** agreed from time to time between the Treasurer and the State **arrange-**
20 Treasurer. **ments**

V—GENERAL PROVISIONS.

30. The New South Wales Government shall provide for and **State to** secure the performance by the State and its instrumentalities of the **secure** obligations of the State under this agreement. **perform-**
ance

25 31. The New South Wales Government shall report to the Aus- **Reporting** tralian Government on the progress and conduct of the Scheme at the intervals and in the form agreed from time to time by the Minister and the State Minister or by their respective delegates in that behalf.

30 32. The Australian Government or the New South Wales Govern- **Consultation** ment when requested by the other shall arrange for consultations between officers of the Australian Government and the New South Wales Government on any matters in connexion with the Scheme.

IN

Dairy Adjustment Programme Agreement Ratification.

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

5 SIGNED by the Honourable EDWARD
GOUGH WHITLAM, Prime
Minister of Australia, in the
presence of—
G. H. BLUNDEN.

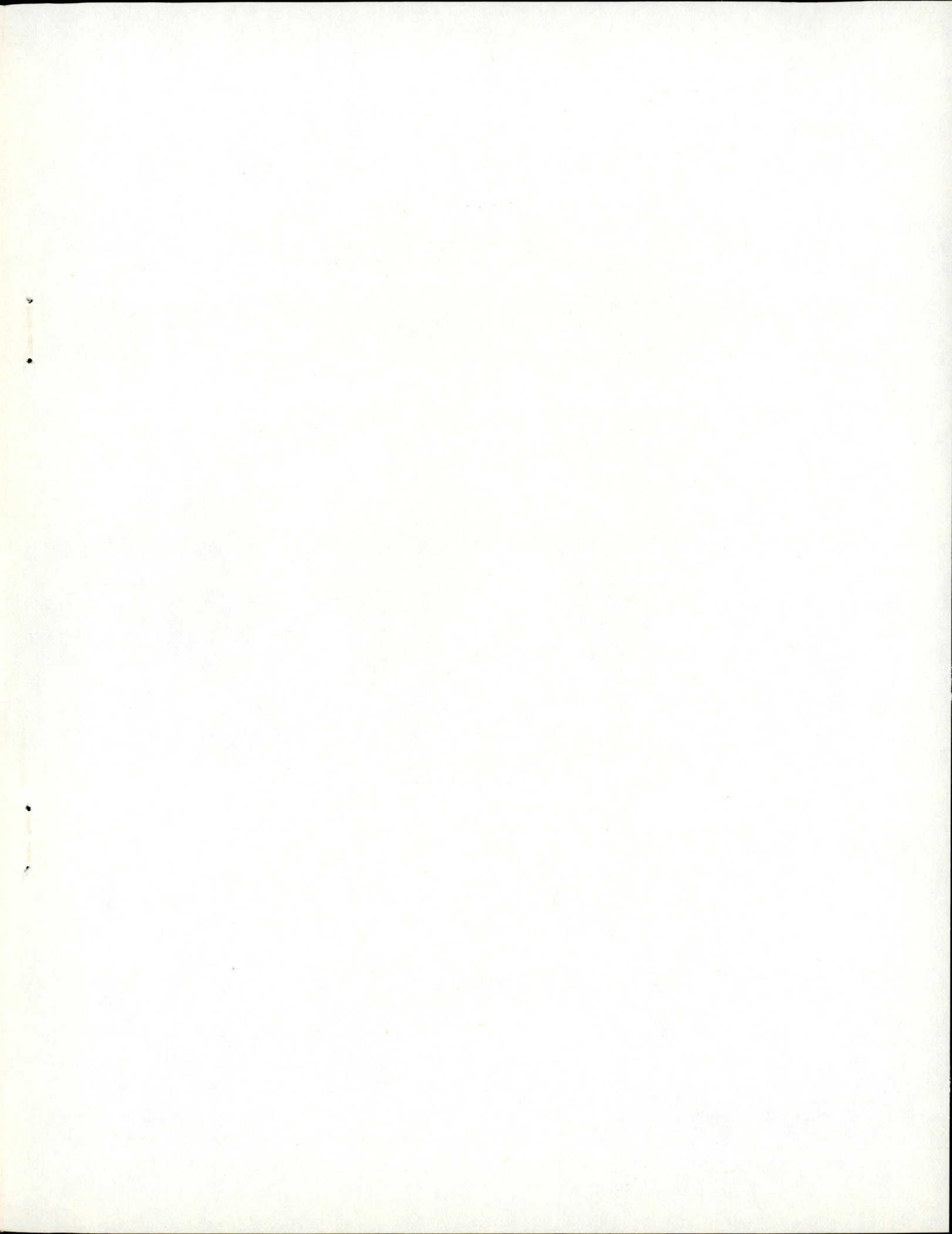
E. G. WHITLAM.
(L.S.)

10 SIGNED by the Honourable SIR
ROBERT WILLIAM ASKIN,
Premier of New South Wales,
in the presence of—
R. E. GRIFFIN.

R. W. ASKIN.
(L.S.)

BY AUTHORITY

D. WEST, GOVERNMENT PRINTER, NEW SOUTH WALES—1975
[24c]



Dairy Adjustment Programme Agreement Bill

It is enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

This Act may be cited as the Dairy Adjustment Programme Agreement Bill, 1975.

(1) In this Act, the Dairy Adjustment Programme Agreement means the agreement which is set out in Schedule 1 to this Act.

No. , 1975.

A BILL

To approve and ratify an Agreement between the Commonwealth and the State of New South Wales in relation to the Commonwealth Dairy Adjustment Program; to amend the Farmers' Relief Act, 1932, in certain respects; to validate certain matters; and for purposes connected therewith.

[Mr RUDDOCK—19 March, 1975.]

BE

Dairy Adjustment Programme Agreement Ratification.

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

1. This Act may be cited as the "Dairy Adjustment Short title. Programme Agreement Ratification Act, 1975".

2. (1) In this Act, "Dairy Adjustment Programme Interpretation. Agreement" means the agreement, a copy of which is set out in the Schedule.

(2) Subject to subsection (3), for the purposes of this Act and the Dairy Adjustment Programme Agreement, the Authority is the State of New South Wales or an instrumentality designated by the Minister to be the Authority for the purposes of this Act and the Dairy Adjustment Programme Agreement.

(3) Any instrumentality that was, immediately before the commencement of this Act, the Authority for the purposes of the Marginal Dairy Farms Reconstruction Scheme Agreement Ratification Act, 1971, shall, on that commencement, be deemed to have been designated by the Minister under subsection (2) to be the Authority for the purposes of this Act and the Dairy Adjustment Programme Agreement.

3. The agreement, a copy of which is set out in the Schedule, is hereby approved, ratified and confirmed.

4. (1) The Dairy Adjustment Programme Agreement may be carried into effect notwithstanding the provisions of any other Act.

(2)

Dairy Adjustment Programme Agreement Ratification.

(2) All acts, matters and things for or with respect to which provision is made in the Dairy Adjustment Programme Agreement, or which by the Dairy Adjustment Programme Agreement are agreed, directed, authorised or permitted to be made, done or executed by or on behalf of the Minister or the Treasurer or the Auditor-General or the Authority are hereby sanctioned, authorised and confirmed.

5. Any act, matter or thing—

Validation.

- 10 (a) which by the Dairy Adjustment Programme Agreement is agreed, directed, authorised or permitted to be made, done or executed;
- (b) which was made, done or executed on or after 13th December, 1974, but before the commencement of this Act; and
- 15 (c) which would have been lawful if this Act had been in force at the time the act, matter or thing was made, done or executed,

is hereby validated.

6. (1) In this section, “acquire”, “land” and “reconstruction land” have the meanings respectively ascribed thereto in the Dairy Adjustment Programme Agreement. Acquisition of certain land.

(2) Any land to be acquired for the purposes of the Dairy Adjustment Programme Agreement by the Authority may be so acquired, notwithstanding—

- 25 (a) that any consent or permission required under the Crown Lands Consolidation Act, 1913, the Closer Settlement Acts, or the Returned Soldiers Settlement Act, 1916, has not been obtained or granted; or

(b)

Dairy Adjustment Programme Agreement Ratification.

5 (b) that the Authority may not be qualified under the Crown Lands Consolidation Act, 1913, the Closer Settlement Acts, or the Returned Soldiers Settlement Act, 1916, to hold land of the tenure to be so acquired by the Authority.

(3) For the purposes only of this section—

10 (a) the provisions of the Crown Lands Consolidation Act, 1913, the Closer Settlement Acts, and the Returned Soldiers Settlement Act, 1916, and any regulations under any of those Acts; and

(b) any condition attaching to any land in pursuance of any of those provisions,

shall be deemed to be amended or varied so as to give full force and effect to any of the provisions of this section.

15 (4) The Minister for the time being administering section 15 of the Forestry Act, 1916, may apply to acquire, and may acquire, reconstruction land under the Dairy Adjustment Programme Agreement for the purpose of a State forest (within the meaning of that Act) or to provide access thereto,
20 and any reconstruction land so acquired shall be dealt with as if it had been purchased in the manner referred to in that section.

(5) Where any land vested by virtue of section 5 (2) of the Marginal Dairy Farms Reconstruction Scheme Agree-
25 ment Ratification Act, 1971, in the instrumentality (within the meaning of that subsection) has, on or after 13th December, 1974, been disposed of or is, after the commencement of this Act, disposed of by the instrumentality for the purposes of the Dairy Adjustment Programme Agreement,
30 neither the Registrar-General, nor any other person registering

title

Dairy Adjustment Programme Agreement Ratification.

5 title to the land, nor the person to whom the land is disposed of, nor any other person, shall be concerned to inquire whether or not the land was so vested in the instrumentality, providing the instrument evidencing the disposition is endorsed with or accompanied by a certificate executed by the instrumentality certifying that the land therein referred to had vested in the instrumentality by virtue of section 5 (2) of that Act.

7. The Farmers' Relief Act, 1932, is amended—

Amendment
of Act No.
33, 1932.

10 (a) by omitting section 40D (1) and by inserting instead the following subsection :—

Sec. 40D.
(Dairy
Farms
Agree-
ments.)

15 (1) In this section, "the Agreements" means the Agreement within the meaning of the Marginal Dairy Farms Reconstruction Scheme Agreement Ratification Act, 1971, and the Dairy Adjustment Programme Agreement within the meaning of the Dairy Adjustment Programme Agreement Ratification Act, 1975.

20 (b) by omitting from section 40D (2) the words "If the Board is designated to be the Authority for the purposes of the Ratification Act" and by inserting instead the words "While the Board is designated to be the Authority for the purposes of the Acts referred to in subsection (1)";

25 (c) by omitting from section 40D (3) and (4) the word "Agreement" wherever occurring and by inserting instead the word "Agreements".

SCHEDULE.

Dairy Adjustment Programme Agreement Ratification.

SCHEDULE.

5 AN AGREEMENT made the thirteenth day of December One thousand nine hundred and seventy-four between THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA (in this agreement called "the Australian Government") of the one part and THE GOVERNMENT OF THE STATE OF NEW SOUTH WALES (in this agreement called "the New South Wales Government") of the other part.

WHEREAS—

- 10 (A) the Australian Government and the New South Wales Government mutually recognize the desirability of continuing to facilitate the process of dairy farm adjustment in order to alleviate the serious low income problem within the dairy industry;
- 15 (B) by the Marginal Dairy Farms Agreements Act 1970 provision was made for financial assistance to the States for the purposes of marginal dairy farms reconstruction schemes to be operated by the States in accordance with that Act;
- 20 (C) an Agreement was made in pursuance of that Act between the Australian Government and the New South Wales Government the First day of June 1971 (in this agreement called "the Principal Agreement") under which a scheme has been established to enable payments of financial assistance to be made to the New South Wales Government;
- 25 (D) the payments by the Australian Government provided for by the Principal Agreement for the purposes of the said scheme were amounts equal to amounts expended by the State prior to the twenty-sixth day of July 1974;
- 30 (E) the said Act has been amended by the Marginal Dairy Farms Agreements Act 1974 to enable a scheme referred to therein to be broadened and to extend in time and to increase in total amount the financial assistance that may be paid to the States thereunder;
- 35 (F) the Australian Government and the New South Wales Government are in agreement that the Principal Agreement should be varied as hereinafter set out in order that the additional assistance provided by the amending Act may be made available to the dairy industry in New South Wales:

Now

Dairy Adjustment Programme Agreement Ratification.

5 NOW IT IS HEREBY AGREED that as from the date of this agreement the Principal Agreement is varied so that its provisions are as set out hereunder AND THAT, without prejudice to the continuance of the Scheme under and by virtue of the Principal Agreement, the provisions set out hereunder shall on and after the date of this agreement have effect with respect to and shall apply to the operation of that Scheme:

I—DEFINITIONS.

1. In this agreement, unless the contrary intention appears— **Definitions**

10 “acquire” includes accept the surrender of a leasehold interest and “acquisition” has a corresponding meaning;

“amalgamation” means the addition of reconstruction land to land held by an applicant;

15 “applicant” means a person or persons applying to participate under the Scheme and includes a company partnership or Crown instrumentality or authority so applying;

“clause” means clause of this agreement;

“disposal” includes the surrender or grant of a leasehold interest and “dispose of” has a corresponding meaning;

20 “economic unit” means a rural property which, in the opinion of the Authority, has under average efficient management the continuing capacity to produce a reasonable level of income, being a level that provides a sufficient return on capital investment and an adequate reward for the operator’s labour and management skill plus a margin to permit needed
25 development and adjustment to changing future conditions, based on the requirement, where the property is to be used primarily for dairying and purposes incidental to dairying, that the property shall have facilities of such standards as may from time to time be agreed by the Minister and the
30 State Minister for producing high quality milk;

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

“holding” means the land offered by an applicant for disposal under the Scheme;

“land”

Dairy Adjustment Programme Agreement Ratification.

- “land” includes a leasehold interest in land;
- 5 “marginal dairy farm” means a rural property not less than one half of the gross income from which is obtained from the production of milk or cream that is derived from not less than twenty lactating cows, and which rural property, if used only for dairying and purposes incidental to dairying, is not in the opinion of the Authority an economic unit;
- “price” includes the consideration for the surrender of a leasehold interest;
- 10 “reconstruction land” means land acquired by the Authority under the Scheme;
- “State” means the State of New South Wales;
- “structural improvements” includes houses, bails, sheds, fencing, stock yards and water supplies;
- 15 “the Act” means the Marginal Dairy Farms Agreements Act 1970–1974 and includes any amendments that may from time to time be made to that Act;
- 20 “the Authority” means the State or the instrumentality or authority designated by the State to operate the Scheme on behalf of the State;
- “the Minister” means the Minister for Agriculture of the Australian Government and includes a Minister or other member of the Executive Council for the time being acting for that Minister;
- 25 “the Scheme” means the Marginal Dairy Farms Reconstruction Scheme operated by the State in accordance with the provisions of this agreement;
- 30 “the State Minister” means the Minister of the State from time to time responsible for the administration of the Scheme on the part of the State and includes a Minister of the State for the time being acting on behalf of that Minister;
- “the State Treasurer” means the Treasurer of the State and includes a Minister of the State for the time being acting on behalf of the Treasurer of the State;
- 35 “the Treasurer” means the Treasurer of the Australian Government and includes a Minister or other member of the Executive Council for the time being acting for the Treasurer.

II—OBJECTIVES

Dairy Adjustment Programme Agreement Ratification.

II—OBJECTIVES.

2. The State shall operate a Marginal Dairy Farms Reconstruction Scheme in accordance with the provisions of this agreement. State to operate Scheme

5 3. The Australian Government shall provide financial assistance to the State for the purposes of the Scheme upon the terms and conditions set out in this agreement. Provision of financial assistance

4. The Scheme shall—

Acquisitions and disposals

10 (a) to the extent that financial assistance is available to the State under this agreement and subject otherwise to the provisions of this agreement, provide for the making of agreements between the Authority and the owners of land comprised in marginal dairy farms in the State for the disposal of the land, including structural improvements thereon, to the Authority at prices based on market values current at the time of disposal; and 15

(b) provide for the disposal by the Authority of land that becomes available for such disposal as a result of acquisitions under the Scheme, but so that—

20 (i) subject to the next succeeding sub-paragraph, the price or rent in respect of such a disposal shall be based upon market values current at the time of disposal, having regard to the type of land use proposed and, if the Authority so desires, after taking into account costs incurred by the Authority in respect of the land after acquisition; 25

30 (ii) the applicant obtaining land from the Authority will not be required to pay for structural improvements on the land that in the opinion of the Authority are unsuitable or redundant in relation to the proposed use of the land by the applicant;

(iii) land will not be disposed of for use primarily for dairying unless it is to be used as part of a rural property that constitutes at least an economic unit; and

35 (iv) disposals will be made so as to encourage the most practicable and economic use of land.

Dairy Adjustment Programme Agreement Ratification.

5. The Scheme may encompass such forms of assistance other than the assistance referred to in clause 4 as are provided for in this agreement, including assistance to persons to leave dairying. Other forms of assistance

III—OPERATION OF SCHEME.

5

A—AMALGAMATIONS.

6. Applicants wishing to dispose of holdings under the Scheme shall be eligible to participate in the Scheme provided that the holding concerned is a marginal dairy farm and the applicant has been operating the holding for a period of not less than two years prior to the date of the application to participate in the Scheme or for such other period as the State Minister or a person authorised by the State Minister for the purpose may deem appropriate where special circumstances obtain. Eligibility of outgoing dairy farmers

7. (1) When acquiring holdings under the Scheme the Authority will do so in accordance with the following— Acquisition of land by Authority

- (a) holdings shall be acquired at a price agreed by negotiation between the applicant or his nominated agent and the Authority;
- (b) holdings shall be acquired without plant or livestock;
- 20 (c) the price shall be based on the current market value of the holding, including the value of structural improvements, according to the system of tenure under which the holding is held;
- 25 (d) on completion of the acquisition the Authority shall receive an unencumbered title to the holding.

(2) The Authority will, upon acquiring a holding, make an estimate of the portion of the price of the holding that is attributable to structural improvements.

8. (1) Notwithstanding any other provision of this agreement, the Authority may give approval to the disposal by the owner of a marginal dairy farm of land comprised in the farm (including structural improvements to the land) to a person (in this clause referred to as 'the purchaser') other than the Authority provided that— Approval to dispose

- 35 (a) the price of the land and any improvements is based on market values current at the time of disposal;

(b)

Dairy Adjustment Programme Agreement Ratification.

- (b) the requirements specified in sub-paragraphs (iii) and (iv) of paragraph (b) of clause 4 are met; and
- 5 (c) land shall not be disposed of for rural uses that are not primarily dairying unless it is to be used as part of a rural property that constitutes at least an economic unit.

(2) Where approval is given to the disposal of land in accordance with sub-clause (1) of this clause the Authority may, for the purpose of assisting the purchaser to acquire the land—

- 10 (a) pay to the purchaser an amount equal to the amount by which the price to be paid by the purchaser exceeds the price that he would have been required to pay if he had acquired the land from the Authority under the Scheme; and
- 15 (b) make a loan to the purchaser of an amount not exceeding the amount by which the price exceeds the amount referred to in sub-paragraph (a) of this sub-clause.

9. Pending disposal reconstruction land may be utilised by the Authority as it deems fit, including short term lease. Use of land held by Authority

10. Applicants wishing to obtain reconstruction land will be eligible to participate in the Scheme provided that— Eligibility of applicants applying for reconstruction land

- 20 (a) where the reconstruction land is to be used for amalgamation—the applicant is the owner of land or the occupier of land under the Crown Lands or other pertinent legislation of the State, such land being, in the opinion of the Authority, suitable for amalgamation; and
- 25 (b) where the reconstruction land is not to be used for amalgamation—the applicant wishes to obtain the land for a forestry undertaking or for any other purpose except dairying, the Authority being satisfied that it is appropriate to use the land for that purpose.

30 11. When disposing of reconstruction land or when providing assistance to an applicant to purchase land under the Scheme, the Authority will do so in accordance with the requirements specified in sub-paragraphs (iii) and (iv) of paragraph (b) of clause 4 and paragraph (1) (c) of clause 8. Disposal of land by Authority

Dairy Adjustment Programme Agreement Ratification.

12. (1) The Authority may for the purpose of the implementation of the Scheme dispose of reconstruction land in such manner as it may determine in keeping with the objectives of the Scheme. Manner of disposal of land by Authority

5 (2) Holdings acquired by the Authority may be sold as a whole or in parts or together with other reconstruction land, according to individual circumstances.

(3) In the event of there being more applicants of apparent equal merit for reconstruction land than can be satisfied, allotment may be decided by ballot.

10 13. (1) Reconstruction land disposed of under the Scheme shall be disposed of for a tenure and on terms and conditions that accord with the practice in the State and the provisions of this agreement. Terms and conditions of disposal

15 (2) The terms and conditions shall be based on fair market value at the time of disposal having regard to the tenure and to the type of land use proposed.

20 (3) The terms and conditions of disposal for amalgamation shall include conditions prohibiting the disposal, after amalgamation, by any means of any interest in any part of the amalgamated property during any period in respect of which money is owed or payable to the Authority by the applicant who obtains the reconstruction land, except with the consent of the State Minister or a person authorised by the State Minister for the purpose.

25 (4) Those structural improvements on reconstruction land disposed of by the Authority and which the Authority indicates as being available for purchase and which the applicant designates as being useful will be sold to the applicant at values agreed with the Authority according to their usefulness to the applicant after amalgamation.

30 (5) Where the purchaser of reconstruction land is the owner of a rural property and has acquired the land under the Scheme for the purpose of incorporating it into the rural property and that incorporation has had the effect of causing structural improvements that were, at the time of acquisition, on the rural property to become unsuitable or redundant in relation to the proposed use by the purchaser of the combined property, the Authority may pay to the purchaser an amount in respect of the loss of value to the purchaser of those improvements.

Dairy Adjustment Programme Agreement Ratification.

(6) Assistance as provided in the preceding paragraph shall not be given with respect to structural improvements that are not ordinarily used for dairy purposes unless the giving of the assistance is approved by the Minister or a person authorised by the Minister for the purpose and by the State Minister or a person authorised by the State Minister for the purpose.

14. (1) Structural improvements on reconstruction land which are not purchased by an applicant as provided in sub-clause (4) of clause 13 and which the Authority considers might otherwise be used for dairying shall be disposed of by tender, public auction or otherwise, for removal or in situ with a small area of land.

Disposal of
redundant
assets

(2) Structural improvements which the Authority is satisfied will not be used for dairying may be dealt with as the Authority considers fit.

15. (1) Subject to sub-clause (2) of this clause, the Authority may, on such terms and conditions as the Authority sees fit—

Assist-
ance to
develop
land

(a) make loans to persons who have acquired land under the Scheme, being loans for the purpose of developing the land acquired, by one or more of the following methods, as a rural property :—

(i) the improvement of, or the erection of structural improvements on that land;

(ii) the purchase of livestock and equipment; and

(b) make loans to persons referred to in paragraph (a) for the purpose of meeting the whole or a part of the cost of working the land acquired as a rural property during the period of development.

(2) The assistance provided for by this clause shall not be given unless the Authority is satisfied that the person concerned has been unable to obtain a loan on reasonable terms from normal financial sources for the purposes for which the assistance is to be given.

15A. Notwithstanding any other provision of this agreement, the Authority may, where the Minister or a person authorised by the Minister for the purpose and the State Minister or a person authorised by the State Minister for the purpose are satisfied that a proposed acquisition or a proposed disposal (including a disposal referred to in clause 8), or a proposed acquisition and subsequent disposal, under the Scheme, of land comprised in a rural property, not being a

Land not in
marginal
dairy farm

marginal

Dairy Adjustment Programme Agreement Ratification.

marginal dairy farm, would assist adjustment in the dairying industry, deal with the land under the Scheme as proposed as if the property were a marginal dairy farm.

B—CHANGEOVER TO REFRIGERATED BULK MILK DELIVERY.

5 15BA. (1) Subject to clause 15BC, the Authority may make interest-free Loans for
loans to the owners of marginal dairy farms for the purpose installation
of— of vats

10 (a) meeting, in the case of a particular farm, the cost of the purchase and installation on the farm of a refrigerated vat of such size and standards as may from time to time be agreed by the Minister or a person authorised by the Minister for the purpose and the State Minister or a person authorised by the State Minister for the purpose, for the storage of whole-milk intended for use as fluid milk for human consumption or in the manufacture of butter, cheese or other products; and

15 (b) making such other improvements on the farm as are required to enable the whole-milk in the vat to be collected from the farm.

20 (2) This clause shall be deemed for the purposes of this agreement to have come into effect on the 21st August 1974 and to be operative in respect of a purchase and installation effected or improvements made on and from that date.

25 15BB. Subject to clause 15BC, the Authority may make interest-free Repay-
loans to the owners of marginal dairy farms for the purpose of ment of
repaying amounts borrowed by them on or after the 23rd July 1973 borrowings
and before the 21st August 1974 for a purpose specified in clause 15BA and not repaid, and may make payments for the purpose of reimbursing the owners of marginal dairy farms for the interest paid
30 by them on moneys so borrowed.

35 15BC. (1) Before a loan is made under the Scheme in accordance with clause 15BA or clause 15BB, the Authority will consult with the management of the factory which the applicant supplies to satisfy itself that the factory proposes to make bulk milk collections from the applicant's farm during the period that the applicant will be required to repay the loan. Conditions
for loans

40 (2) The assistance provided for by clauses 15BA and 15BB shall not be given under the Scheme in the case of a particular farm unless the Authority is satisfied that there is a reasonable prospect that, by reason of the assistance and considering other assistance provided under the Scheme in respect of the farm, the farm will be an economic unit.

(3)

Dairy Adjustment Programme Agreement Ratification.

- 5 (3) It shall be a condition of a loan under the Scheme in accordance with clause 15BA or 15BB that the borrower is to be liable to make additional payments, as determined by the Authority, in the event of failure to repay an instalment of the loan on, or within a specified period after, the due date for that repayment. Such payments may take the form of interest calculated on the outstanding balance of the loan at a rate determined by the Authority.

C—DEVELOPMENT ASSISTANCE.

- 10 15CA. The Authority may make loans to the owners of marginal dairy farms, on such terms and conditions as the Authority deems appropriate in the circumstances of the case, for the purpose of meeting, in the case of a particular farm—

- 15 (a) the cost of developing the farm to the point where the farm has the continuing capacity to produce from dairying or activities incidental to dairying a reasonable level of income, being a level which makes the farm an economic unit; and
- (b) the whole or a part of the cost of carrying on the farm during the period of development.

- 20 15CB. Assistance under the Scheme in accordance with clause 15CA shall not be given unless the Authority is satisfied that the person to be assisted has been unable to obtain a loan on reasonable terms from normal financial sources for the purposes for which the assistance is given.

25 D—DIVERSIFICATION ASSISTANCE.

- 15DA. Subject to clause 15DB, the Authority may—

- 30 (a) make loans to the owners of marginal dairy farms, on such terms and conditions as it deems appropriate, for the purpose of meeting, in the case of a particular farm, the cost of converting by one or more of the following methods, the farm, wholly or in part, to a rural use other than dairying:
- 35 (i) the acquisition of land adjoining, or within a reasonable working distance of, the farm for the purpose of working that land and land comprised in the farm as a single unit;

(ii)

Dairy Adjustment Programme Agreement Ratification.

- (ii) the improvement of, or the erection of structural improvements on land comprised in the farm, including any land referred to in sub-paragraph (i);
- (iii) the purchase of livestock or equipment;
- 5 (b) make loans to the owners of marginal dairy farms that are, wholly or in part, being converted to a rural use other than dairying for the purpose of meeting, in the case of a particular farm, the whole or a part of the cost of carrying on the farm during the period of conversion;
- 10 (c) where milking plant or dairy bails on a marginal dairy farm that is, wholly or in part, being converted to a rural use other than dairying will lose some or all of its or their value to the owner of the farm after the conversion of the farm has been effected—pay to the owner of the farm an amount equivalent to the loss in value which the Authority considers has occurred.
- 15

15DB. Assistance under the Scheme in accordance with clause 15DA shall not be given in the case of a particular farm unless the Authority is satisfied that—

Conditions of assistance

- 20 (a) the proposed use of land comprised in the farm (including any land proposed to be acquired) will be a more practicable and economic use of the land than dairying;
- (b) there is a reasonable prospect that, by reason of the assistance, the farm (including any land proposed to be acquired) will produce a reasonable level of income, being a level which makes the farm an economic unit; and
- 25 (c) the person to be assisted has been unable to obtain a loan for the relevant purpose on reasonable terms from normal financial sources.

30 E—RELOCATION ASSISTANCE.

- 15E. (1) The Authority may make loans (including interest-free loans) on such terms and conditions as it deems appropriate in the circumstances of the case, to persons, who after the 21st August 1974 have disposed of, or dispose of, to or with the approval of the Authority rural properties that are at the time of disposal marginal dairy farms, being loans for the purpose of alleviating conditions of personal hardship being borne by the person concerned or a dependant of that person.
- Loans on disposal

Dairy Adjustment Programme Agreement Ratification.

(2) The maximum amount for a loan made in accordance with this clause shall be Three thousand dollars (\$3000) in any one case or such other amount as may be agreed from time to time by the Minister and the State Minister.

5

F—GENERAL.

16A. The Authority shall not be under any obligation under the Position of Scheme to acquire any particular holding or approve of any particular authority application.

10 16B. Matters in connexion with the Scheme not provided for in this Other agreement (other than financial arrangements) shall be carried out operational as agreed from time to time by the Minister and the State Minister. arrange-ments

IV—FINANCIAL ARRANGEMENTS.

15 17. (1) Subject to and to compliance by the New South Wales Financial Government and the Authority with the provisions of this agreement, assistance the Australian Government shall, in accordance with and subject to the provisions of this agreement, provide, out of a total sum of Forty-three million dollars (\$43,000,000) available to all the States, financial assistance to the State for the purposes of the Scheme.

20 (2) The financial assistance shall consist of amounts equal to the amounts expended by the Authority in accordance with applications under the Scheme lodged with, and approved by, the Authority before the 1st July 1976 and for the purposes of this Part IV of this agreement is classified as—

25 (a) loans and payments in relation to the change-over to refrigerated bulk milk delivery in accordance with clauses 15BA and 15BB; and

(b) other expenditure by the Authority in accordance with the Scheme.

30 18. Notwithstanding anything contained in this agreement, the Total Australian Government shall not be obliged to make payments of financial assistance to the State under this agreement if the making of the payment would mean that payments by the Australian Government under this agreement and under agreements with other States in respect of like schemes would exceed in total the said sum of 35 Forty-three million dollars (\$43,000,000).

Dairy Adjustment Programme Agreement Ratification.

19. (1) The Treasurer may, at such times and in such amounts ^{Advances} as he thinks fit, make advances on account of the payments that may be made by the Australian Government under clause 21.

5 (2) An amount or part of an amount advanced by the Treasurer under this clause may be deducted by the Australian Government from an amount that subsequently becomes payable under clause 21 or, if no further amounts will become payable under that clause, shall be refunded by the State to the Australian Government at the request of the Treasurer.

10 20. The New South Wales Government shall ensure that an amount ^{Use of} or any part of an amount advanced to the State and not refunded ^{advances} under the last preceding clause is not used or applied except for the operation of the Scheme.

15 21. The Australian Government shall, from time to time, at the ^{Payments} request of the New South Wales Government and subject to the ^{of financial} provisions of this agreement make payments to the State of the ^{assistance} financial assistance to be provided to the State under this agreement.

20 22. (1) The New South Wales Government shall furnish to the ^{Supporting} Treasurer such documents and other evidence to justify the making ^{financial} of an advance under clause 19 or in support of a request by the New ^{evidence} South Wales Government for a payment to it by the Australian Government under clause 21 as the Treasurer may from time to time reasonably request, whether the request by the Treasurer is made before or after the Australian Government has made the advance or a ²⁵ payment pursuant to the request by the New South Wales Government.

(2) Any statement of expenditure by the New South Wales Government furnished to the Treasurer in connexion with a request for a payment under clause 21 shall be certified by the Auditor- ³⁰ General of the State as to its correctness in accordance with the books and documents of the Authority.

23. Interest at the rate of six per centum per annum shall accrue ^{Interest} in respect of so much of each amount that has been advanced or paid to the State under this agreement in respect of expenditure referred ³⁵ to in paragraph (2) (b) of clause 17 as is repayable and has not for the time being been refunded or repaid to the Australian Government calculated from the date upon which the advance or payment was made by the Australian Government and compounded with half-yearly rests.

Dairy Adjustment Programme Agreement Ratification.

24. (1) Subject to the provisions of this clause, the State shall **Repayments** repay to the Australian Government the whole of the payments made to the State under clause 21 in respect of assistance by way of loans referred to in paragraph (2) (a) of clause 17 and of the advances of such assistance made to the State and not refunded under clause 19 by twenty (20) equal consecutive half-yearly payments, the first payment to be made on the fifteenth day of July of the first financial year that occurs after the payment or advance was made by the Australian Government to the State and subsequent payments to be made on each succeeding fifteenth day of January and fifteenth day of July until the full amount of the repayment has been paid.

(1A) Subject to the provisions of this clause, the State shall repay to the Australian Government one half of each payment made to the State under clause 21 in respect of assistance referred to in paragraph (2) (b) of clause 17 and one half of so much of each advance of such assistance made to the State and as is not refunded under clause 19, together with the interest referred to in clause 23, by forty-six (46) equal consecutive half-yearly payments, the first payment to be made on the fifteenth day of July of the second financial year that wholly occurs after the payment or advance was made by the Australian Government to the State and subsequent payments to be made on each succeeding fifteenth day of January and fifteenth day of July thereafter until the full amount of the repayment, including interest, has been paid.

25. (1) In addition to making payments in accordance with clause 24, the State may on the fifteenth day of January or on the fifteenth day of July in any year, after the State Treasurer has given to the Treasurer notice in writing of at least one month of the intention to do so, pay to the Australian Government an amount that has been specified in the notice of the repayments that remain to be made by the State under that clause. **Prepay-ments**

(2) Interest at the rate of six per centum per annum shall accrue on amounts paid by the State in respect of assistance under paragraph (2) (b) of clause 17 in accordance with sub-clause (1) of this clause, calculated from the date of payment and compounded with half-yearly rests on each fifteenth day of January and fifteenth day of July.

(3) When on any fifteenth day of January or fifteenth day of July the payment due by the State under clause 24 exceeds the amount by which the unrepaid balance of the total amount repayable under that clause together with (where applicable) interest accrued on that total amount up to and including that date exceeds the total of

Dairy Adjustment Programme Agreement Ratification.

of the amounts paid by the State to the Australian Government in accordance with sub-clause (1) of this clause together with (where applicable) interest accrued on those amounts up to and including that date under sub-clause (2) of this clause, the State shall pay to the
 5 Australian Government the amount of the second-mentioned excess in lieu of the amount due under clause 24 and no further payments shall be required to be made by the State to the Australian Government under that clause.

26. (1) The New South Wales Government agrees that the Scheme
 10 will be operated in such a way that, taking into account its experience with other schemes of rural assistance and the normal expectations as to factors that affect farmers' incomes that are current at the date of this agreement, the amount received by the Authority in the course of the operation of the Scheme could be reasonably expected to equal
 15 the State's costs of administration and the payments of principal and interest which the State is required to make to the Australian Government under this agreement.

Financial
 administration
 and
 adjustments

(2) Should the New South Wales Government certify that
 20 after allowing for the State's administrative costs, the State incurred losses under the Scheme from circumstances beyond its control arising after the date of this agreement and disadvantageous compared with past experience and normal expectations as to factors that affect farmers' incomes referred to in sub-clause (1) of this clause, the
 25 Australian Government agrees to review the position with the New South Wales Government with a view to adjusting amounts payable to the Australian Government by the State under this agreement to the extent of such losses.

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

27. The New South Wales Government shall prepare and furnish
 35 the Treasurer not later than the thirtieth day of April in each year a statement or statements showing the estimated expenditure necessary to operate the Scheme during the next financial year and estimates of the amounts that the New South Wales Government will request the Australian Government to pay to the State under this agreement dur-
 40 ing that financial year.

Financial
 estimates

Dairy Adjustment Programme Agreement Ratification.

28. (1) The accounts, books, vouchers, documents and other **Audit** records of the State relating to the operation of the Scheme shall be subject to audit by the Auditor-General of the State.
- 5 (2) Until such time as the total amount of the financial assistance to be provided to the State has been provided by the Australian Government and applied by the State in accordance with this agreement and supporting evidence to the satisfaction of the Treasurer in relation to all amounts advanced or paid by the Australian Government has been furnished by the New South Wales Government, a **10** 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, indicating whether the expenditure of moneys is in accordance with this agreement and including reference to such other matters arising out of the audits **15** as the Auditor-General of the State considers should be reported to the Treasurer.

29. Financial arrangements in connexion with the Scheme other **Other** than those provided for in this agreement shall be carried out as **financial** agreed from time to time between the Treasurer and the State **arrange-** **ments** **20** Treasurer.

V—GENERAL PROVISIONS.

30. The New South Wales Government shall provide for and **State to** secure the performance by the State and its instrumentalities of the **secure** obligations of the State under this agreement. **perform-** **ance**
- 25 31. The New South Wales Government shall report to the Aus- **Reporting** tralian Government on the progress and conduct of the Scheme at the intervals and in the form agreed from time to time by the Minister and the State Minister or by their respective delegates in that behalf.
- 30 32. The Australian Government or the New South Wales Govern- **Consultation** ment when requested by the other shall arrange for consultations between officers of the Australian Government and the New South Wales Government on any matters in connexion with the Scheme.

Dairy Adjustment Programme Agreement Ratification.

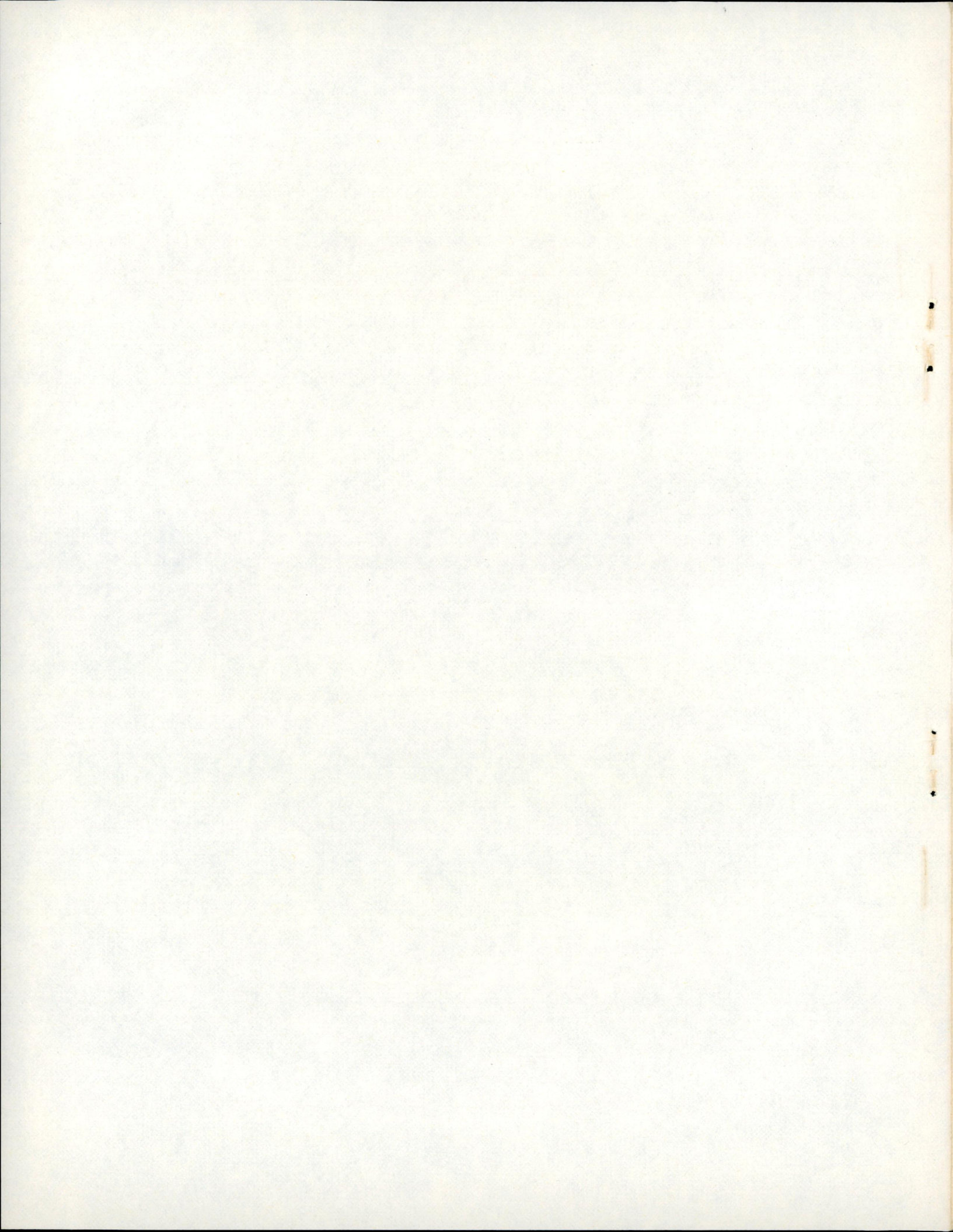
IN WITNESS WHEREOF this agreement has been executed on behalf of the parties respectively as at the day and year first above written.

5	SIGNED by the Honourable EDWARD GOUGH WHITLAM, Prime Minister of Australia, in the presence of— G. H. BLUNDEN.	}	E. G. WHITLAM. (L.S.)
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10	SIGNED by the Honourable SIR ROBERT WILLIAM ASKIN, Premier of New South Wales, in the presence of— R. E. GRIFFIN.	}	R. W. ASKIN. (L.S.)
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BY AUTHORITY

D. WEST, GOVERNMENT PRINTER, NEW SOUTH WALES—1975
[24c]



DAIRY ADJUSTMENT PROGRAMME AGREEMENT
RATIFICATION BILL, 1975

EXPLANATORY NOTE

THE objects of this Bill are to approve and ratify an agreement made between the State of New South Wales and the Commonwealth relating to the Commonwealth Dairy Adjustment Program and to provide for the implementation of the agreement in the State.

The Bill—

- (a) approves, ratifies and confirms the Dairy Adjustment Programme Agreement made between the State and the Commonwealth and bearing date 13th December, 1974 (hereinafter referred to as "the agreement");
- (b) provides that the agreement may be implemented in the State;
- (c) provides for an instrumentality to be the Authority primarily responsible for the operation in the State of the scheme provided for in the agreement;
- (d) validates anything done in pursuance of the agreement on or after 13th December, 1974;
- (e) makes certain non-incorporable amendments to the Crown Lands Consolidation Act, 1913, the Closer Settlement Acts and the Returned Soldiers Settlement Act, 1916, to facilitate the acquisition of land by the Authority;
- (f) enables land acquired under the agreement by the Authority to be acquired from the Authority under the Forestry Act, 1916, for the purpose of a State forest (within the meaning of that Act) or to provide access thereto;
- (g) amends the Farmers' Relief Act, 1932, to make certain provisions of a financial nature to facilitate the implementation of the agreement; and
- (h) makes other provisions of a minor or ancillary nature.

Dairy Adjustment Program Agreement Ratification
Bill enacted by the Queen's Most Excellent Majesty in
and with the advice and consent of the Legislative
Council and Executive Council of New South Wales in
Parliament assembled and by the authority of the same as
follows:

1. This Act may be cited as the Dairy Adjustment
Program Agreement Ratification Act, 1975.

2. (1) In this Act "Dairy Adjustment Program
Agreement" means the agreement which is set out
in the Schedule.

No. , 1975.

A BILL

To approve and ratify an Agreement between the
Commonwealth and the State of New South Wales in
relation to the Commonwealth Dairy Adjustment Pro-
gram; to amend the Farmers' Relief Act, 1932, in certain
respects; to validate certain matters; and for purposes
connected therewith.

[Mr RUDDOCK—19 March, 1975.]

BE

Dairy Adjustment Programme Agreement Ratification.

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

1. This Act may be cited as the "Dairy Adjustment Short title. Programme Agreement Ratification Act, 1975".

2. (1) In this Act, "Dairy Adjustment Programme Interpretation. Agreement" means the agreement, a copy of which is set out in the Schedule.

(2) Subject to subsection (3), for the purposes of this Act and the Dairy Adjustment Programme Agreement, the Authority is the State of New South Wales or an instrumentality designated by the Minister to be the Authority for the purposes of this Act and the Dairy Adjustment Programme Agreement.

(3) Any instrumentality that was, immediately before the commencement of this Act, the Authority for the purposes of the Marginal Dairy Farms Reconstruction Scheme Agreement Ratification Act, 1971, shall, on that commencement, be deemed to have been designated by the Minister under subsection (2) to be the Authority for the purposes of this Act and the Dairy Adjustment Programme Agreement.

3. The agreement, a copy of which is set out in the Ratification. Schedule, is hereby approved, ratified and confirmed.

4. (1) The Dairy Adjustment Programme Agreement Implemen- may be carried into effect notwithstanding the provisions of tation. any other Act.

(2)

Dairy Adjustment Programme Agreement Ratification.

(2) All acts, matters and things for or with respect to which provision is made in the Dairy Adjustment Programme Agreement, or which by the Dairy Adjustment Programme Agreement are agreed, directed, authorised or permitted to be made, done or executed by or on behalf of the Minister or the Treasurer or the Auditor-General or the Authority are hereby sanctioned, authorised and confirmed.

5. Any act, matter or thing—

Validation.

- 10 (a) which by the Dairy Adjustment Programme Agreement is agreed, directed, authorised or permitted to be made, done or executed;
- (b) which was made, done or executed on or after 13th December, 1974, but before the commencement of this Act; and
- 15 (c) which would have been lawful if this Act had been in force at the time the act, matter or thing was made, done or executed,

is hereby validated.

6. (1) In this section, “acquire”, “land” and “reconstruction land” have the meanings respectively ascribed thereto in the Dairy Adjustment Programme Agreement. Acquisition of certain land.

(2) Any land to be acquired for the purposes of the Dairy Adjustment Programme Agreement by the Authority may be so acquired, notwithstanding—

- 25 (a) that any consent or permission required under the Crown Lands Consolidation Act, 1913, the Closer Settlement Acts, or the Returned Soldiers Settlement Act, 1916, has not been obtained or granted; or

(b)

Dairy Adjustment Programme Agreement Ratification.

5 (b) that the Authority may not be qualified under the Crown Lands Consolidation Act, 1913, the Closer Settlement Acts, or the Returned Soldiers Settlement Act, 1916, to hold land of the tenure to be so acquired by the Authority.

(3) For the purposes only of this section—

10 (a) the provisions of the Crown Lands Consolidation Act, 1913, the Closer Settlement Acts, and the Returned Soldiers Settlement Act, 1916, and any regulations under any of those Acts; and

(b) any condition attaching to any land in pursuance of any of those provisions,

shall be deemed to be amended or varied so as to give full force and effect to any of the provisions of this section.

15 (4) The Minister for the time being administering section 15 of the Forestry Act, 1916, may apply to acquire, and may acquire, reconstruction land under the Dairy Adjustment Programme Agreement for the purpose of a State forest (within the meaning of that Act) or to provide access thereto,
20 and any reconstruction land so acquired shall be dealt with as if it had been purchased in the manner referred to in that section.

(5) Where any land vested by virtue of section 5 (2) of the Marginal Dairy Farms Reconstruction Scheme Agree-
25 ment Ratification Act, 1971, in the instrumentality (within the meaning of that subsection) has, on or after 13th December, 1974, been disposed of or is, after the commencement of this Act, disposed of by the instrumentality for the purposes of the Dairy Adjustment Programme Agreement,
30 neither the Registrar-General, nor any other person registering

title

Dairy Adjustment Programme Agreement Ratification.

title to the land, nor the person to whom the land is disposed of, nor any other person, shall be concerned to inquire whether or not the land was so vested in the instrumentality, providing the instrument evidencing the disposition is endorsed with or
 5 accompanied by a certificate executed by the instrumentality certifying that the land therein referred to had vested in the instrumentality by virtue of section 5 (2) of that Act.

7. The Farmers' Relief Act, 1932, is amended—

Amendment
of Act No.
33, 1932.

10 (a) by omitting section 40D (1) and by inserting instead the following subsection :—

Sec. 40D.
(Dairy
Farms
Agree-
ments.)

15 (1) In this section, "the Agreements" means the Agreement within the meaning of the Marginal Dairy Farms Reconstruction Scheme Agreement Ratification Act, 1971, and the Dairy Adjustment Programme Agreement within the meaning of the Dairy Adjustment Programme Agreement Ratification Act, 1975.

20 (b) by omitting from section 40D (2) the words "If the Board is designated to be the Authority for the purposes of the Ratification Act" and by inserting instead the words "While the Board is designated to be the Authority for the purposes of the Acts referred to in subsection (1)";

25 (c) by omitting from section 40D (3) and (4) the word "Agreement" wherever occurring and by inserting instead the word "Agreements".

SCHEDULE.

Dairy Adjustment Programme Agreement Ratification.

SCHEDULE.

5 AN AGREEMENT made the thirteenth day of December One thousand nine hundred and seventy-four between THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA (in this agreement called "the Australian Government") of the one part and THE GOVERNMENT OF THE STATE OF NEW SOUTH WALES (in this agreement called "the New South Wales Government") of the other part.

WHEREAS—

- 10 (A) the Australian Government and the New South Wales Government mutually recognize the desirability of continuing to facilitate the process of dairy farm adjustment in order to alleviate the serious low income problem within the dairy industry;
- 15 (B) by the Marginal Dairy Farms Agreements Act 1970 provision was made for financial assistance to the States for the purposes of marginal dairy farms reconstruction schemes to be operated by the States in accordance with that Act;
- 20 (C) an Agreement was made in pursuance of that Act between the Australian Government and the New South Wales Government the First day of June 1971 (in this agreement called "the Principal Agreement") under which a scheme has been established to enable payments of financial assistance to be made to the New South Wales Government;
- 25 (D) the payments by the Australian Government provided for by the Principal Agreement for the purposes of the said scheme were amounts equal to amounts expended by the State prior to the twenty-sixth day of July 1974;
- 30 (E) the said Act has been amended by the Marginal Dairy Farms Agreements Act 1974 to enable a scheme referred to therein to be broadened and to extend in time and to increase in total amount the financial assistance that may be paid to the States thereunder;
- 35 (F) the Australian Government and the New South Wales Government are in agreement that the Principal Agreement should be varied as hereinafter set out in order that the additional assistance provided by the amending Act may be made available to the dairy industry in New South Wales:

Now

Dairy Adjustment Programme Agreement Ratification.

5 NOW IT IS HEREBY AGREED that as from the date of this agreement the Principal Agreement is varied so that its provisions are as set out hereunder AND THAT, without prejudice to the continuance of the Scheme under and by virtue of the Principal Agreement, the provisions set out hereunder shall on and after the date of this agreement have effect with respect to and shall apply to the operation of that Scheme:

I—DEFINITIONS.

1. In this agreement, unless the contrary intention appears— **Definitions**

10 “acquire” includes accept the surrender of a leasehold interest and “acquisition” has a corresponding meaning;

“amalgamation” means the addition of reconstruction land to land held by an applicant;

15 “applicant” means a person or persons applying to participate under the Scheme and includes a company partnership or Crown instrumentality or authority so applying;

“clause” means clause of this agreement;

“disposal” includes the surrender or grant of a leasehold interest and “dispose of” has a corresponding meaning;

20 “economic unit” means a rural property which, in the opinion of the Authority, has under average efficient management the continuing capacity to produce a reasonable level of income, being a level that provides a sufficient return on capital investment and an adequate reward for the operator’s labour and management skill plus a margin to permit needed development and adjustment to changing future conditions, based on the requirement, where the property is to be used primarily for dairying and purposes incidental to dairying, that the property shall have facilities of such standards as may from time to time be agreed by the Minister and the State Minister for producing high quality milk;

25

30

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

“holding” means the land offered by an applicant for disposal under the Scheme;

“land”

Dairy Adjustment Programme Agreement Ratification.

- “land” includes a leasehold interest in land;
- 5 “marginal dairy farm” means a rural property not less than one half of the gross income from which is obtained from the production of milk or cream that is derived from not less than twenty lactating cows, and which rural property, if used only for dairying and purposes incidental to dairying, is not in the opinion of the Authority an economic unit;
- “price” includes the consideration for the surrender of a leasehold interest;
- 10 “reconstruction land” means land acquired by the Authority under the Scheme;
- “State” means the State of New South Wales;
- “structural improvements” includes houses, bails, sheds, fencing, stock yards and water supplies;
- 15 “the Act” means the Marginal Dairy Farms Agreements Act 1970–1974 and includes any amendments that may from time to time be made to that Act;
- “the Authority” means the State or the instrumentality or authority designated by the State to operate the Scheme on behalf of the State;
- 20 “the Minister” means the Minister for Agriculture of the Australian Government and includes a Minister or other member of the Executive Council for the time being acting for that Minister;
- 25 “the Scheme” means the Marginal Dairy Farms Reconstruction Scheme operated by the State in accordance with the provisions of this agreement;
- “the State Minister” means the Minister of the State from time to time responsible for the administration of the Scheme on the part of the State and includes a Minister of the State for the time being acting on behalf of that Minister;
- 30 “the State Treasurer” means the Treasurer of the State and includes a Minister of the State for the time being acting on behalf of the Treasurer of the State;
- 35 “the Treasurer” means the Treasurer of the Australian Government and includes a Minister or other member of the Executive Council for the time being acting for the Treasurer.

II—OBJECTIVES

Dairy Adjustment Programme Agreement Ratification.

II—OBJECTIVES.

2. The State shall operate a Marginal Dairy Farms Reconstruction Scheme in accordance with the provisions of this agreement. State to operate Scheme

5 3. The Australian Government shall provide financial assistance to the State for the purposes of the Scheme upon the terms and conditions set out in this agreement. Provision of financial assistance

4. The Scheme shall— Acquisitions and disposals

10 (a) to the extent that financial assistance is available to the State under this agreement and subject otherwise to the provisions of this agreement, provide for the making of agreements between the Authority and the owners of land comprised in marginal dairy farms in the State for the disposal of the land, including structural improvements thereon, to the Authority at prices based on market values current at the time of disposal; and 15

(b) provide for the disposal by the Authority of land that becomes available for such disposal as a result of acquisitions under the Scheme, but so that—

20 (i) subject to the next succeeding sub-paragraph, the price or rent in respect of such a disposal shall be based upon market values current at the time of disposal, having regard to the type of land use proposed and, if the Authority so desires, after taking into account costs incurred by the Authority in respect of the land after acquisition; 25

(ii) the applicant obtaining land from the Authority will not be required to pay for structural improvements on the land that in the opinion of the Authority are unsuitable or redundant in relation to the proposed use of the land by the applicant; 30

(iii) land will not be disposed of for use primarily for dairying unless it is to be used as part of a rural property that constitutes at least an economic unit; and

35 (iv) disposals will be made so as to encourage the most practicable and economic use of land.

Dairy Adjustment Programme Agreement Ratification.

5. The Scheme may encompass such forms of assistance other than the assistance referred to in clause 4 as are provided for in this agreement, including assistance to persons to leave dairying. Other forms of assistance

III—OPERATION OF SCHEME.

5

A—AMALGAMATIONS.

6. Applicants wishing to dispose of holdings under the Scheme shall be eligible to participate in the Scheme provided that the holding concerned is a marginal dairy farm and the applicant has been operating the holding for a period of not less than two years prior to the date of the application to participate in the Scheme or for such other period as the State Minister or a person authorised by the State Minister for the purpose may deem appropriate where special circumstances obtain. Eligibility of outgoing dairy farmers

7. (1) When acquiring holdings under the Scheme the Authority will do so in accordance with the following— Acquisition of land by Authority

- (a) holdings shall be acquired at a price agreed by negotiation between the applicant or his nominated agent and the Authority;
- (b) holdings shall be acquired without plant or livestock;
- (c) the price shall be based on the current market value of the holding, including the value of structural improvements, according to the system of tenure under which the holding is held;
- (d) on completion of the acquisition the Authority shall receive an unencumbered title to the holding.

(2) The Authority will, upon acquiring a holding, make an estimate of the portion of the price of the holding that is attributable to structural improvements.

8. (1) Notwithstanding any other provision of this agreement, the Authority may give approval to the disposal by the owner of a marginal dairy farm of land comprised in the farm (including structural improvements to the land) to a person (in this clause referred to as 'the purchaser') other than the Authority provided that— Approval to dispose

- (a) the price of the land and any improvements is based on market values current at the time of disposal;

(b)

Dairy Adjustment Programme Agreement Ratification.

- (b) the requirements specified in sub-paragraphs (iii) and (iv) of paragraph (b) of clause 4 are met; and
- 5 (c) land shall not be disposed of for rural uses that are not primarily dairying unless it is to be used as part of a rural property that constitutes at least an economic unit.

(2) Where approval is given to the disposal of land in accordance with sub-clause (1) of this clause the Authority may, for the purpose of assisting the purchaser to acquire the land—

- 10 (a) pay to the purchaser an amount equal to the amount by which the price to be paid by the purchaser exceeds the price that he would have been required to pay if he had acquired the land from the Authority under the Scheme; and
- 15 (b) make a loan to the purchaser of an amount not exceeding the amount by which the price exceeds the amount referred to in sub-paragraph (a) of this sub-clause.

9. Pending disposal reconstruction land may be utilised by the Authority as it deems fit, including short term lease. Use of land held by Authority

10. Applicants wishing to obtain reconstruction land will be eligible to participate in the Scheme provided that— Eligibility of applicants applying for reconstruction land

- 20 (a) where the reconstruction land is to be used for amalgamation—the applicant is the owner of land or the occupier of land under the Crown Lands or other pertinent legislation of the State, such land being, in the opinion of the Authority, suitable for amalgamation; and
- 25 (b) where the reconstruction land is not to be used for amalgamation—the applicant wishes to obtain the land for a forestry undertaking or for any other purpose except dairying, the Authority being satisfied that it is appropriate to use the land for that purpose.

30 11. When disposing of reconstruction land or when providing assistance to an applicant to purchase land under the Scheme, the Authority will do so in accordance with the requirements specified in sub-paragraphs (iii) and (iv) of paragraph (b) of clause 4 and paragraph (1) (c) of clause 8. Disposal of land by Authority

Dairy Adjustment Programme Agreement Ratification.

12. (1) The Authority may for the purpose of the implementation of the Scheme dispose of reconstruction land in such manner as it may determine in keeping with the objectives of the Scheme. Manner of disposal of land by Authority

5 (2) Holdings acquired by the Authority may be sold as a whole or in parts or together with other reconstruction land, according to individual circumstances.

(3) In the event of there being more applicants of apparent equal merit for reconstruction land than can be satisfied, allotment may be decided by ballot.

10 13. (1) Reconstruction land disposed of under the Scheme shall be disposed of for a tenure and on terms and conditions that accord with the practice in the State and the provisions of this agreement. Terms and conditions of disposal

15 (2) The terms and conditions shall be based on fair market value at the time of disposal having regard to the tenure and to the type of land use proposed.

(3) The terms and conditions of disposal for amalgamation shall include conditions prohibiting the disposal, after amalgamation, by any means of any interest in any part of the amalgamated property during any period in respect of which money is owed or payable to the Authority by the applicant who obtains the reconstruction land, except with the consent of the State Minister or a person authorised by the State Minister for the purpose.

25 (4) Those structural improvements on reconstruction land disposed of by the Authority and which the Authority indicates as being available for purchase and which the applicant designates as being useful will be sold to the applicant at values agreed with the Authority according to their usefulness to the applicant after amalgamation.

30 (5) Where the purchaser of reconstruction land is the owner of a rural property and has acquired the land under the Scheme for the purpose of incorporating it into the rural property and that incorporation has had the effect of causing structural improvements that were, at the time of acquisition, on the rural property to become unsuitable or redundant in relation to the proposed use by the purchaser of the combined property, the Authority may pay to the purchaser an amount in respect of the loss of value to the purchaser of those improvements.

Dairy Adjustment Programme Agreement Ratification.

(6) Assistance as provided in the preceding paragraph shall not be given with respect to structural improvements that are not ordinarily used for dairy purposes unless the giving of the assistance is approved by the Minister or a person authorised by the Minister for the purpose and by the State Minister or a person authorised by the State Minister for the purpose.

14. (1) Structural improvements on reconstruction land which are not purchased by an applicant as provided in sub-clause (4) of clause 13 and which the Authority considers might otherwise be used for dairying shall be disposed of by tender, public auction or otherwise, for removal or in situ with a small area of land.

(2) Structural improvements which the Authority is satisfied will not be used for dairying may be dealt with as the Authority considers fit.

15. (1) Subject to sub-clause (2) of this clause, the Authority may, on such terms and conditions as the Authority sees fit—

(a) make loans to persons who have acquired land under the Scheme, being loans for the purpose of developing the land acquired, by one or more of the following methods, as a rural property :—

(i) the improvement of, or the erection of structural improvements on that land;

(ii) the purchase of livestock and equipment; and

(b) make loans to persons referred to in paragraph (a) for the purpose of meeting the whole or a part of the cost of working the land acquired as a rural property during the period of development.

(2) The assistance provided for by this clause shall not be given unless the Authority is satisfied that the person concerned has been unable to obtain a loan on reasonable terms from normal financial sources for the purposes for which the assistance is to be given.

15A. Notwithstanding any other provision of this agreement, the Authority may, where the Minister or a person authorised by the Minister for the purpose and the State Minister or a person authorised by the State Minister for the purpose are satisfied that a proposed acquisition or a proposed disposal (including a disposal referred to in clause 8), or a proposed acquisition and subsequent disposal, under the Scheme, of land comprised in a rural property, not being a

marginal

Dairy Adjustment Programme Agreement Ratification.

marginal dairy farm, would assist adjustment in the dairying industry, deal with the land under the Scheme as proposed as if the property were a marginal dairy farm.

B—CHANGEOVER TO REFRIGERATED BULK MILK DELIVERY.

5 15BA. (1) Subject to clause 15BC, the Authority may make interest-free loans to the owners of marginal dairy farms for the purpose of— Loans for
installation
of vats

10 (a) meeting, in the case of a particular farm, the cost of the purchase and installation on the farm of a refrigerated vat of such size and standards as may from time to time be agreed by the Minister or a person authorised by the Minister for the purpose and the State Minister or a person authorised by the State Minister for the purpose, for the storage of whole-milk intended for use as fluid milk for human consumption or in the manufacture of butter, cheese or other products; and

15 (b) making such other improvements on the farm as are required to enable the whole-milk in the vat to be collected from the farm.

20 (2) This clause shall be deemed for the purposes of this agreement to have come into effect on the 21st August 1974 and to be operative in respect of a purchase and installation effected or improvements made on and from that date.

25 15BB. Subject to clause 15BC, the Authority may make interest-free loans to the owners of marginal dairy farms for the purpose of repaying amounts borrowed by them on or after the 23rd July 1973 and before the 21st August 1974 for a purpose specified in clause 15BA and not repaid, and may make payments for the purpose of reimbursing the owners of marginal dairy farms for the interest paid Repay-
ment of
borrowings

30 by them on moneys so borrowed.

15BC. (1) Before a loan is made under the Scheme in accordance with clause 15BA or clause 15BB, the Authority will consult with the management of the factory which the applicant supplies to satisfy Conditions
for loans itself that the factory proposes to make bulk milk collections from the applicant's farm during the period that the applicant will be required

35 to repay the loan.

(2) The assistance provided for by clauses 15BA and 15BB shall not be given under the Scheme in the case of a particular farm unless the Authority is satisfied that there is a reasonable prospect

40 that, by reason of the assistance and considering other assistance provided under the Scheme in respect of the farm, the farm will be an economic unit.

(3)

Dairy Adjustment Programme Agreement Ratification.

- 5 (3) It shall be a condition of a loan under the Scheme in accordance with clause 15BA or 15BB that the borrower is to be liable to make additional payments, as determined by the Authority, in the event of failure to repay an instalment of the loan on, or within a specified period after, the due date for that repayment. Such payments may take the form of interest calculated on the outstanding balance of the loan at a rate determined by the Authority.

C—DEVELOPMENT ASSISTANCE.

- 10 15CA. The Authority may make loans to the owners of marginal dairy farms, on such terms and conditions as the Authority deems appropriate in the circumstances of the case, for the purpose of meeting, in the case of a particular farm—

- 15 (a) the cost of developing the farm to the point where the farm has the continuing capacity to produce from dairying or activities incidental to dairying a reasonable level of income, being a level which makes the farm an economic unit; and
- (b) the whole or a part of the cost of carrying on the farm during the period of development.

- 20 15CB. Assistance under the Scheme in accordance with clause 15CA shall not be given unless the Authority is satisfied that the person to be assisted has been unable to obtain a loan on reasonable terms from normal financial sources for the purposes for which the assistance is given.

25 D—DIVERSIFICATION ASSISTANCE.

- 15DA. Subject to clause 15DB, the Authority may—

- 30 (a) make loans to the owners of marginal dairy farms, on such terms and conditions as it deems appropriate, for the purpose of meeting, in the case of a particular farm, the cost of converting by one or more of the following methods, the farm, wholly or in part, to a rural use other than dairying:
- 35 (i) the acquisition of land adjoining, or within a reasonable working distance of, the farm for the purpose of working that land and land comprised in the farm as a single unit;

(ii)

Loans and payments

Availability of other finance

Loans for development

Dairy Adjustment Programme Agreement Ratification.

- (ii) the improvement of, or the erection of structural improvements on land comprised in the farm, including any land referred to in sub-paragraph (i);
 - (iii) the purchase of livestock or equipment;
- 5 (b) make loans to the owners of marginal dairy farms that are, wholly or in part, being converted to a rural use other than dairying for the purpose of meeting, in the case of a particular farm, the whole or a part of the cost of carrying on the farm during the period of conversion;
- 10 (c) where milking plant or dairy bails on a marginal dairy farm that is, wholly or in part, being converted to a rural use other than dairying will lose some or all of its or their value to the owner of the farm after the conversion of the farm has been effected—pay to the owner of the farm an amount equivalent to the loss in value which the Authority considers has occurred.
- 15

15DB. Assistance under the Scheme in accordance with clause 15DA shall not be given in the case of a particular farm unless the Authority is satisfied that—

- 20 (a) the proposed use of land comprised in the farm (including any land proposed to be acquired) will be a more practicable and economic use of the land than dairying;
- (b) there is a reasonable prospect that, by reason of the assistance, the farm (including any land proposed to be acquired) will produce a reasonable level of income, being a level which makes the farm an economic unit; and
- 25 (c) the person to be assisted has been unable to obtain a loan for the relevant purpose on reasonable terms from normal financial sources.

30 E—RELOCATION ASSISTANCE.

- 15E. (1) The Authority may make loans (including interest-free loans) on such terms and conditions as it deems appropriate in the circumstances of the case, to persons, who after the 21st August 1974 have disposed of, or dispose of, to or with the approval of the Authority rural properties that are at the time of disposal marginal dairy farms, being loans for the purpose of alleviating conditions of personal hardship being borne by the person concerned or a dependant of that person.
- 35

(2)

Dairy Adjustment Programme Agreement Ratification.

(2) The maximum amount for a loan made in accordance with this clause shall be Three thousand dollars (\$3000) in any one case or such other amount as may be agreed from time to time by the Minister and the State Minister.

5

F—GENERAL.

16A. The Authority shall not be under any obligation under the Position of Scheme to acquire any particular holding or approve of any particular authority application.

10 16B. Matters in connexion with the Scheme not provided for in this Other agreement (other than financial arrangements) shall be carried out operational as agreed from time to time by the Minister and the State Minister. arrangements

IV—FINANCIAL ARRANGEMENTS.

15 17. (1) Subject to and to compliance by the New South Wales Financial Government and the Authority with the provisions of this agreement, assistance the Australian Government shall, in accordance with and subject to the provisions of this agreement, provide, out of a total sum of Forty-three million dollars (\$43,000,000) available to all the States, financial assistance to the State for the purposes of the Scheme.

20 (2) The financial assistance shall consist of amounts equal to the amounts expended by the Authority in accordance with applications under the Scheme lodged with, and approved by, the Authority before the 1st July 1976 and for the purposes of this Part IV of this agreement is classified as—

25 (a) loans and payments in relation to the change-over to refrigerated bulk milk delivery in accordance with clauses 15BA and 15BB; and

(b) other expenditure by the Authority in accordance with the Scheme.

30 18. Notwithstanding anything contained in this agreement, the Total Australian Government shall not be obliged to make payments of financial financial assistance to the State under this agreement if the making assistance of the payment would mean that payments by the Australian Government under this agreement and under agreements with other States in respect of like schemes would exceed in total the said sum of 35 Forty-three million dollars (\$43,000,000).

Dairy Adjustment Programme Agreement Ratification.

19. (1) The Treasurer may, at such times and in such amounts as he thinks fit, make advances on account of the payments that may be made by the Australian Government under clause 21. Advances

5 (2) An amount or part of an amount advanced by the Treasurer under this clause may be deducted by the Australian Government from an amount that subsequently becomes payable under clause 21 or, if no further amounts will become payable under that clause, shall be refunded by the State to the Australian Government at the request of the Treasurer.

10 20. The New South Wales Government 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. Use of
advances

15 21. The Australian Government shall, from time to time, at the request of the New South Wales Government 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. Payments
of financial
assistance

20 22. (1) The New South Wales Government shall furnish to the Treasurer such documents and other evidence to justify the making of an advance under clause 19 or in support of a request by the New South Wales Government for a payment to it by the Australian Government under clause 21 as the Treasurer may from time to time reasonably request, whether the request by the Treasurer is made before or after the Australian Government has made the advance or a payment pursuant to the request by the New South Wales Government. Supporting
financial
evidence

30 (2) Any statement of expenditure by the New South Wales Government furnished to the Treasurer in connexion with a request for a payment under clause 21 shall be certified by the Auditor-General of the State as to its correctness in accordance with the books and documents of the Authority.

35 23. Interest at the rate of six per centum per annum shall accrue in respect of so much of each amount that has been advanced or paid to the State under this agreement in respect of expenditure referred to in paragraph (2) (b) of clause 17 as is repayable and has not for the time being been refunded or repaid to the Australian Government calculated from the date upon which the advance or payment was made by the Australian Government and compounded with half-yearly rests. Interest

Dairy Adjustment Programme Agreement Ratification.

24. (1) Subject to the provisions of this clause, the State shall **Repayments** repay to the Australian Government the whole of the payments made to the State under clause 21 in respect of assistance by way of loans referred to in paragraph (2) (a) of clause 17 and of the advances of such assistance made to the State and not refunded under clause 19 by twenty (20) equal consecutive half-yearly payments, the first payment to be made on the fifteenth day of July of the first financial year that occurs after the payment or advance was made by the Australian Government to the State and subsequent payments to be made on each succeeding fifteenth day of January and fifteenth day of July until the full amount of the repayment has been paid.

(1A) Subject to the provisions of this clause, the State shall repay to the Australian Government one half of each payment made to the State under clause 21 in respect of assistance referred to in paragraph (2) (b) of clause 17 and one half of so much of each advance of such assistance made to the State and as is not refunded under clause 19, together with the interest referred to in clause 23, by forty-six (46) equal consecutive half-yearly payments, the first payment to be made on the fifteenth day of July of the second financial year that wholly occurs after the payment or advance was made by the Australian Government to the State and subsequent payments to be made on each succeeding fifteenth day of January and fifteenth day of July thereafter until the full amount of the repayment, including interest, has been paid.

25. (1) In addition to making payments in accordance with clause **Prepay-** 24, the State may on the fifteenth day of January or on the fifteenth **ments** day of July in any year, after the State Treasurer has given to the Treasurer notice in writing of at least one month of the intention to do so, pay to the Australian Government 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 at the rate of six per centum per annum shall accrue on amounts paid by the State in respect of assistance under paragraph (2) (b) of clause 17 in accordance with sub-clause (1) of this clause, calculated from the date of payment and compounded with half-yearly rests on each fifteenth day of January and fifteenth day of July.

(3) When on any fifteenth day of January or fifteenth day of July the payment due by the State under clause 24 exceeds the amount by which the unrepaid balance of the total amount repayable under that clause together with (where applicable) interest accrued on that total amount up to and including that date exceeds the total of

Dairy Adjustment Programme Agreement Ratification.

- of the amounts paid by the State to the Australian Government in accordance with sub-clause (1) of this clause together with (where applicable) interest accrued on those amounts up to and including that date under sub-clause (2) of this clause, the State shall pay to the
- 5 Australian Government the amount of the second-mentioned excess in lieu of the amount due under clause 24 and no further payments shall be required to be made by the State to the Australian Government under that clause.
26. (1) The New South Wales Government agrees that the Scheme will be operated in such a way that, taking into account its experience with other schemes of rural assistance and the normal expectations as to factors that affect farmers' incomes that are current at the date of this agreement, the amount received by the Authority in the course of the operation of the Scheme could be reasonably expected to equal
- 15 the State's costs of administration and the payments of principal and interest which the State is required to make to the Australian Government under this agreement.
- (2) Should the New South Wales Government certify that after allowing for the State's administrative costs, the State incurred
- 20 losses under the Scheme from circumstances beyond its control arising after the date of this agreement and disadvantageous compared with past experience and normal expectations as to factors that affect farmers' incomes referred to in sub-clause (1) of this clause, the Australian Government agrees to review the position with the New
- 25 South Wales Government with a view to adjusting amounts payable to the Australian Government 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 Australian
- 30 Government and the amounts of the payments that are to be made may be varied in such manner as is agreed between the Australian Government and the New South Wales Government upon a review carried out in accordance with sub-clause (2) of this clause.
27. The New South Wales Government shall prepare and furnish
- 35 the Treasurer not later than the thirtieth day of April in each year a statement or statements showing the estimated expenditure necessary to operate the Scheme during the next financial year and estimates of the amounts that the New South Wales Government will request the Australian Government to pay to the State under this agreement dur-
- 40 ing that financial year.

Dairy Adjustment Programme Agreement Ratification.

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

5 (2) Until such time as the total amount of the financial assistance to be provided to the State has been provided by the Australian Government and applied by the State in accordance with this agreement and supporting evidence to the satisfaction of the Treasurer in relation to all amounts advanced or paid by the Australian Government has been furnished by the New South Wales Government, a
10 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, indicating whether the expenditure of moneys is in accordance with this agreement and including reference to such other matters arising out of the audits
15 as the Auditor-General of the State considers should be reported to the Treasurer.

29. Financial arrangements in connexion 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 the State
20 Treasurer. Other financial arrangements

V—GENERAL PROVISIONS.

30. The New South Wales Government shall provide for and secure the performance by the State and its instrumentalities of the obligations of the State under this agreement. State to secure performance

25 31. The New South Wales Government shall report to the Australian Government on the progress and conduct of the Scheme at the intervals and in the form agreed from time to time by the Minister and the State Minister or by their respective delegates in that behalf. Reporting

30 32. The Australian Government or the New South Wales Government when requested by the other shall arrange for consultations between officers of the Australian Government and the New South Wales Government on any matters in connexion with the Scheme. Consultation

IN

Dairy Adjustment Programme Agreement Ratification.

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

5 SIGNED by the Honourable EDWARD
GOUGH WHITLAM, Prime
Minister of Australia, in the
presence of—
G. H. BLUNDEN.

E. G. WHITLAM.
(L.S.)

10 SIGNED by the Honourable SIR
ROBERT WILLIAM ASKIN,
Premier of New South Wales,
in the presence of—
R. E. GRIFFIN.

R. W. ASKIN.
(L.S.)

BY AUTHORITY

D. WEST, GOVERNMENT PRINTER, NEW SOUTH WALES—1975
[24c]

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I certify that this PUBLIC BILL, which originated in the LEGISLATIVE ASSEMBLY, has finally passed the LEGISLATIVE COUNCIL and the LEGISLATIVE ASSEMBLY of NEW SOUTH WALES.

R. E. WARD,
Clerk of the Legislative Assembly.

*Legislative Assembly Chamber,
Sydney, 25 March, 1975.*

New South Wales



ANNO VICESIMO QUARTO

ELIZABETHÆ II REGINÆ

Act No. 31, 1975.

An Act to approve and ratify an Agreement between the Commonwealth and the State of New South Wales in relation to the Commonwealth Dairy Adjustment Program; to amend the Farmers' Relief Act, 1932, in certain respects; to validate certain matters; and for purposes connected therewith. [Assented to, 16th April, 1975.]

BE

I have examined this Bill, and find it to correspond in all respects with the Bill as finally passed by both Houses.

H. G. COATES,
Acting Chairman of Committees of the Legislative Assembly.

Dairy Adjustment Programme Agreement Ratification.

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

Short title. **1.** This Act may be cited as the "Dairy Adjustment Programme Agreement Ratification Act, 1975".

Interpre- **2.** (1) In this Act, "Dairy Adjustment Programme
tation. Agreement" means the agreement, a copy of which is set out
in the Schedule.

(2) Subject to subsection (3), for the purposes of this Act and the Dairy Adjustment Programme Agreement, the Authority is the State of New South Wales or an instrumentality designated by the Minister to be the Authority for the purposes of this Act and the Dairy Adjustment Programme Agreement.

(3) Any instrumentality that was, immediately before the commencement of this Act, the Authority for the purposes of the Marginal Dairy Farms Reconstruction Scheme Agreement Ratification Act, 1971, shall, on that commencement, be deemed to have been designated by the Minister under subsection (2) to be the Authority for the purposes of this Act and the Dairy Adjustment Programme Agreement.

Ratifica- **3.** The agreement, a copy of which is set out in the
tion. Schedule, is hereby approved, ratified and confirmed.

Implemen- **4.** (1) The Dairy Adjustment Programme Agreement
tation. may be carried into effect notwithstanding the provisions of
any other Act.

(2)

Dairy Adjustment Programme Agreement Ratification.

(2) All acts, matters and things for or with respect to which provision is made in the Dairy Adjustment Programme Agreement, or which by the Dairy Adjustment Programme Agreement are agreed, directed, authorised or permitted to be made, done or executed by or on behalf of the Minister or the Treasurer or the Auditor-General or the Authority are hereby sanctioned, authorised and confirmed.

5. Any act, matter or thing—

Validation.

- (a) which by the Dairy Adjustment Programme Agreement is agreed, directed, authorised or permitted to be made, done or executed;
- (b) which was made, done or executed on or after 13th December, 1974, but before the commencement of this Act; and
- (c) which would have been lawful if this Act had been in force at the time the act, matter or thing was made, done or executed,

is hereby validated.

6. (1) In this section, “acquire”, “land” and “reconstruction land” have the meanings respectively ascribed thereto in the Dairy Adjustment Programme Agreement. **Acquisition of certain land.**

(2) Any land to be acquired for the purposes of the Dairy Adjustment Programme Agreement by the Authority may be so acquired, notwithstanding—

- (a) that any consent or permission required under the Crown Lands Consolidation Act, 1913, the Closer Settlement Acts, or the Returned Soldiers Settlement Act, 1916, has not been obtained or granted; or

(b)

Dairy Adjustment Programme Agreement Ratification.

(b) that the Authority may not be qualified under the Crown Lands Consolidation Act, 1913, the Closer Settlement Acts, or the Returned Soldiers Settlement Act, 1916, to hold land of the tenure to be so acquired by the Authority.

(3) For the purposes only of this section—

(a) the provisions of the Crown Lands Consolidation Act, 1913, the Closer Settlement Acts, and the Returned Soldiers Settlement Act, 1916, and any regulations under any of those Acts; and

(b) any condition attaching to any land in pursuance of any of those provisions,

shall be deemed to be amended or varied so as to give full force and effect to any of the provisions of this section.

(4) The Minister for the time being administering section 15 of the Forestry Act, 1916, may apply to acquire, and may acquire, reconstruction land under the Dairy Adjustment Programme Agreement for the purpose of a State forest (within the meaning of that Act) or to provide access thereto, and any reconstruction land so acquired shall be dealt with as if it had been purchased in the manner referred to in that section.

(5) Where any land vested by virtue of section 5 (2) of the Marginal Dairy Farms Reconstruction Scheme Agreement Ratification Act, 1971, in the instrumentality (within the meaning of that subsection) has, on or after 13th December, 1974, been disposed of or is, after the commencement of this Act, disposed of by the instrumentality for the purposes of the Dairy Adjustment Programme Agreement, neither the Registrar-General, nor any other person registering

title

Dairy Adjustment Programme Agreement Ratification.

title to the land, nor the person to whom the land is disposed of, nor any other person, shall be concerned to inquire whether or not the land was so vested in the instrumentality, providing the instrument evidencing the disposition is endorsed with or accompanied by a certificate executed by the instrumentality certifying that the land therein referred to had vested in the instrumentality by virtue of section 5 (2) of that Act.

7. The Farmers' Relief Act, 1932, is amended—

Amendment
of Act No.
33, 1932.

- (a) by omitting section 40D (1) and by inserting instead the following subsection :—

Sec. 40D.
(Dairy
Farms
Agree-
ments.)

(1) In this section, "the Agreements" means the Agreement within the meaning of the Marginal Dairy Farms Reconstruction Scheme Agreement Ratification Act, 1971, and the Dairy Adjustment Programme Agreement within the meaning of the Dairy Adjustment Programme Agreement Ratification Act, 1975.

- (b) by omitting from section 40D (2) the words "If the Board is designated to be the Authority for the purposes of the Ratification Act" and by inserting instead the words "While the Board is designated to be the Authority for the purposes of the Acts referred to in subsection (1)";

- (c) by omitting from section 40D (3) and (4) the word "Agreement" wherever occurring and by inserting instead the word "Agreements".

SCHEDULE.

Dairy Adjustment Programme Agreement Ratification.

SCHEDULE.

AN AGREEMENT made the thirteenth day of December One thousand nine hundred and seventy-four between THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA (in this agreement called "the Australian Government") of the one part and THE GOVERNMENT OF THE STATE OF NEW SOUTH WALES (in this agreement called "the New South Wales Government") of the other part.

WHEREAS—

- (A) the Australian Government and the New South Wales Government mutually recognize the desirability of continuing to facilitate the process of dairy farm adjustment in order to alleviate the serious low income problem within the dairy industry;
- (B) by the Marginal Dairy Farms Agreements Act 1970 provision was made for financial assistance to the States for the purposes of marginal dairy farms reconstruction schemes to be operated by the States in accordance with that Act;
- (C) an Agreement was made in pursuance of that Act between the Australian Government and the New South Wales Government the First day of June 1971 (in this agreement called "the Principal Agreement") under which a scheme has been established to enable payments of financial assistance to be made to the New South Wales Government;
- (D) the payments by the Australian Government provided for by the Principal Agreement for the purposes of the said scheme were amounts equal to amounts expended by the State prior to the twenty-sixth day of July 1974;
- (E) the said Act has been amended by the Marginal Dairy Farms Agreements Act 1974 to enable a scheme referred to therein to be broadened and to extend in time and to increase in total amount the financial assistance that may be paid to the States thereunder;
- (F) the Australian Government and the New South Wales Government are in agreement that the Principal Agreement should be varied as hereinafter set out in order that the additional assistance provided by the amending Act may be made available to the dairy industry in New South Wales:

Now

Dairy Adjustment Programme Agreement Ratification.

NOW IT IS HEREBY AGREED that as from the date of this agreement the Principal Agreement is varied so that its provisions are as set out hereunder AND THAT, without prejudice to the continuance of the Scheme under and by virtue of the Principal Agreement, the provisions set out hereunder shall on and after the date of this agreement have effect with respect to and shall apply to the operation of that Scheme:

I—DEFINITIONS.

1. In this agreement, unless the contrary intention appears— **Definitions**

“acquire” includes accept the surrender of a leasehold interest and “acquisition” has a corresponding meaning;

“amalgamation” means the addition of reconstruction land to land held by an applicant;

“applicant” means a person or persons applying to participate under the Scheme and includes a company partnership or Crown instrumentality or authority so applying;

“clause” means clause of this agreement;

“disposal” includes the surrender or grant of a leasehold interest and “dispose of” has a corresponding meaning;

“economic unit” means a rural property which, in the opinion of the Authority, has under average efficient management the continuing capacity to produce a reasonable level of income, being a level that provides a sufficient return on capital investment and an adequate reward for the operator’s labour and management skill plus a margin to permit needed development and adjustment to changing future conditions, based on the requirement, where the property is to be used primarily for dairying and purposes incidental to dairying, that the property shall have facilities of such standards as may from time to time be agreed by the Minister and the State Minister for producing high quality milk;

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

“holding” means the land offered by an applicant for disposal under the Scheme;

“land”

Dairy Adjustment Programme Agreement Ratification.

“land” includes a leasehold interest in land;

“marginal dairy farm” means a rural property not less than one half of the gross income from which is obtained from the production of milk or cream that is derived from not less than twenty lactating cows, and which rural property, if used only for dairying and purposes incidental to dairying, is not in the opinion of the Authority an economic unit;

“price” includes the consideration for the surrender of a leasehold interest;

“reconstruction land” means land acquired by the Authority under the Scheme;

“State” means the State of New South Wales;

“structural improvements” includes houses, bails, sheds, fencing, stock yards and water supplies;

“the Act” means the Marginal Dairy Farms Agreements Act 1970–1974 and includes any amendments that may from time to time be made to that Act;

“the Authority” means the State or the instrumentality or authority designated by the State to operate the Scheme on behalf of the State;

“the Minister” means the Minister for Agriculture of the Australian Government and includes a Minister or other member of the Executive Council for the time being acting for that Minister;

“the Scheme” means the Marginal Dairy Farms Reconstruction Scheme operated by the State in accordance with the provisions of this agreement;

“the State Minister” means the Minister of the State from time to time responsible for the administration of the Scheme on the part of the State and includes a Minister of the State for the time being acting on behalf of that Minister;

“the State Treasurer” means the Treasurer of the State and includes a Minister of the State for the time being acting on behalf of the Treasurer of the State;

“the Treasurer” means the Treasurer of the Australian Government and includes a Minister or other member of the Executive Council for the time being acting for the Treasurer.

II—OBJECTIVES

Dairy Adjustment Programme Agreement Ratification.

II—OBJECTIVES.

2. The State shall operate a Marginal Dairy Farms Reconstruction Scheme in accordance with the provisions of this agreement. State to operate Scheme
3. The Australian Government shall provide financial assistance to the State for the purposes of the Scheme upon the terms and conditions set out in this agreement. Provision of financial assistance
4. The Scheme shall— Acquisitions and disposals
- (a) to the extent that financial assistance is available to the State under this agreement and subject otherwise to the provisions of this agreement, provide for the making of agreements between the Authority and the owners of land comprised in marginal dairy farms in the State for the disposal of the land, including structural improvements thereon, to the Authority at prices based on market values current at the time of disposal; and
- (b) provide for the disposal by the Authority of land that becomes available for such disposal as a result of acquisitions under the Scheme, but so that—
- (i) subject to the next succeeding sub-paragraph, the price or rent in respect of such a disposal shall be based upon market values current at the time of disposal, having regard to the type of land use proposed and, if the Authority so desires, after taking into account costs incurred by the Authority in respect of the land after acquisition;
- (ii) the applicant obtaining land from the Authority will not be required to pay for structural improvements on the land that in the opinion of the Authority are unsuitable or redundant in relation to the proposed use of the land by the applicant;
- (iii) land will not be disposed of for use primarily for dairying unless it is to be used as part of a rural property that constitutes at least an economic unit; and
- (iv) disposals will be made so as to encourage the most practicable and economic use of land.

Dairy Adjustment Programme Agreement Ratification.

Other forms of assistance

5. The Scheme may encompass such forms of assistance other than the assistance referred to in clause 4 as are provided for in this agreement, including assistance to persons to leave dairying.

III—OPERATION OF SCHEME.

A—AMALGAMATIONS.

Eligibility of outgoing dairy farmers

6. Applicants wishing to dispose of holdings under the Scheme shall be eligible to participate in the Scheme provided that the holding concerned is a marginal dairy farm and the applicant has been operating the holding for a period of not less than two years prior to the date of the application to participate in the Scheme or for such other period as the State Minister or a person authorised by the State Minister for the purpose may deem appropriate where special circumstances obtain.

Acquisition of land by Authority

7. (1) When acquiring holdings under the Scheme the Authority will do so in accordance with the following—

- (a) holdings shall be acquired at a price agreed by negotiation between the applicant or his nominated agent and the Authority;
- (b) holdings shall be acquired without plant or livestock;
- (c) the price shall be based on the current market value of the holding, including the value of structural improvements, according to the system of tenure under which the holding is held;
- (d) on completion of the acquisition the Authority shall receive an unencumbered title to the holding.

(2) The Authority will, upon acquiring a holding, make an estimate of the portion of the price of the holding that is attributable to structural improvements.

Approval to dispose

8. (1) Notwithstanding any other provision of this agreement, the Authority may give approval to the disposal by the owner of a marginal dairy farm of land comprised in the farm (including structural improvements to the land) to a person (in this clause referred to as 'the purchaser') other than the Authority provided that—

- (a) the price of the land and any improvements is based on market values current at the time of disposal;

(b)

Dairy Adjustment Programme Agreement Ratification.

- (b) the requirements specified in sub-paragraphs (iii) and (iv) of paragraph (b) of clause 4 are met; and
- (c) land shall not be disposed of for rural uses that are not primarily dairying unless it is to be used as part of a rural property that constitutes at least an economic unit.

(2) Where approval is given to the disposal of land in accordance with sub-clause (1) of this clause the Authority may, for the purpose of assisting the purchaser to acquire the land—

- (a) pay to the purchaser an amount equal to the amount by which the price to be paid by the purchaser exceeds the price that he would have been required to pay if he had acquired the land from the Authority under the Scheme; and
- (b) make a loan to the purchaser of an amount not exceeding the amount by which the price exceeds the amount referred to in sub-paragraph (a) of this sub-clause.

9. Pending disposal reconstruction land may be utilised by the Authority as it deems fit, including short term lease. Use of
land held
by Authority

10. Applicants wishing to obtain reconstruction land will be eligible to participate in the Scheme provided that— Eligibility
of applicants
applying for
reconstruction
land

- (a) where the reconstruction land is to be used for amalgamation—the applicant is the owner of land or the occupier of land under the Crown Lands or other pertinent legislation of the State, such land being, in the opinion of the Authority, suitable for amalgamation; and
- (b) where the reconstruction land is not to be used for amalgamation—the applicant wishes to obtain the land for a forestry undertaking or for any other purpose except dairying, the Authority being satisfied that it is appropriate to use the land for that purpose.

11. When disposing of reconstruction land or when providing assistance to an applicant to purchase land under the Scheme, the Authority will do so in accordance with the requirements specified in sub-paragraphs (iii) and (iv) of paragraph (b) of clause 4 and paragraph (1) (c) of clause 8. Disposal of
land by
Authority

Dairy Adjustment Programme Agreement Ratification.

Manner of disposal of land by Authority

12. (1) The Authority may for the purpose of the implementation of the Scheme dispose of reconstruction land in such manner as it may determine in keeping with the objectives of the Scheme.

(2) Holdings acquired by the Authority may be sold as a whole or in parts or together with other reconstruction land, according to individual circumstances.

(3) In the event of there being more applicants of apparent equal merit for reconstruction land than can be satisfied, allotment may be decided by ballot.

Terms and conditions of disposal

13. (1) Reconstruction land disposed of under the Scheme shall be disposed of for a tenure and on terms and conditions that accord with the practice in the State and the provisions of this agreement.

(2) The terms and conditions shall be based on fair market value at the time of disposal having regard to the tenure and to the type of land use proposed.

(3) The terms and conditions of disposal for amalgamation shall include conditions prohibiting the disposal, after amalgamation, by any means of any interest in any part of the amalgamated property during any period in respect of which money is owed or payable to the Authority by the applicant who obtains the reconstruction land, except with the consent of the State Minister or a person authorised by the State Minister for the purpose.

(4) Those structural improvements on reconstruction land disposed of by the Authority and which the Authority indicates as being available for purchase and which the applicant designates as being useful will be sold to the applicant at values agreed with the Authority according to their usefulness to the applicant after amalgamation.

(5) Where the purchaser of reconstruction land is the owner of a rural property and has acquired the land under the Scheme for the purpose of incorporating it into the rural property and that incorporation has had the effect of causing structural improvements that were, at the time of acquisition, on the rural property to become unsuitable or redundant in relation to the proposed use by the purchaser of the combined property, the Authority may pay to the purchaser an amount in respect of the loss of value to the purchaser of those improvements.

Dairy Adjustment Programme Agreement Ratification.

(6) Assistance as provided in the preceding paragraph shall not be given with respect to structural improvements that are not ordinarily used for dairy purposes unless the giving of the assistance is approved by the Minister or a person authorised by the Minister for the purpose and by the State Minister or a person authorised by the State Minister for the purpose.

14. (1) Structural improvements on reconstruction land which are not purchased by an applicant as provided in sub-clause (4) of clause 13 and which the Authority considers might otherwise be used for dairying shall be disposed of by tender, public auction or otherwise, for removal or in situ with a small area of land. Disposal of
redundant
assets

(2) Structural improvements which the Authority is satisfied will not be used for dairying may be dealt with as the Authority considers fit.

15. (1) Subject to sub-clause (2) of this clause, the Authority may, on such terms and conditions as the Authority sees fit— Assist-
ance to
develop
land

(a) make loans to persons who have acquired land under the Scheme, being loans for the purpose of developing the land acquired, by one or more of the following methods, as a rural property :—

(i) the improvement of, or the erection of structural improvements on that land;

(ii) the purchase of livestock and equipment; and

(b) make loans to persons referred to in paragraph (a) for the purpose of meeting the whole or a part of the cost of working the land acquired as a rural property during the period of development.

(2) The assistance provided for by this clause shall not be given unless the Authority is satisfied that the person concerned has been unable to obtain a loan on reasonable terms from normal financial sources for the purposes for which the assistance is to be given.

15A. Notwithstanding any other provision of this agreement, the Authority may, where the Minister or a person authorised by the Minister for the purpose and the State Minister or a person authorised by the State Minister for the purpose are satisfied that a proposed acquisition or a proposed disposal (including a disposal referred to in clause 8), or a proposed acquisition and subsequent disposal, under the Scheme, of land comprised in a rural property, not being a Land not in
marginal
dairy farm

marginal

Dairy Adjustment Programme Agreement Ratification.

marginal dairy farm, would assist adjustment in the dairying industry, deal with the land under the Scheme as proposed as if the property were a marginal dairy farm.

B—CHANGEOVER TO REFRIGERATED BULK MILK DELIVERY.

Loans for
installation
of vats

15BA. (1) Subject to clause 15BC, the Authority may make interest-free loans to the owners of marginal dairy farms for the purpose of—

- (a) meeting, in the case of a particular farm, the cost of the purchase and installation on the farm of a refrigerated vat of such size and standards as may from time to time be agreed by the Minister or a person authorised by the Minister for the purpose and the State Minister or a person authorised by the State Minister for the purpose, for the storage of whole-milk intended for use as fluid milk for human consumption or in the manufacture of butter, cheese or other products; and
- (b) making such other improvements on the farm as are required to enable the whole-milk in the vat to be collected from the farm.

(2) This clause shall be deemed for the purposes of this agreement to have come into effect on the 21st August 1974 and to be operative in respect of a purchase and installation effected or improvements made on and from that date.

Repay-
ment of
borrowings

15BB. Subject to clause 15BC, the Authority may make interest-free loans to the owners of marginal dairy farms for the purpose of repaying amounts borrowed by them on or after the 23rd July 1973 and before the 21st August 1974 for a purpose specified in clause 15BA and not repaid, and may make payments for the purpose of reimbursing the owners of marginal dairy farms for the interest paid by them on moneys so borrowed.

Conditions
for loans

15BC. (1) Before a loan is made under the Scheme in accordance with clause 15BA or clause 15BB, the Authority will consult with the management of the factory which the applicant supplies to satisfy itself that the factory proposes to make bulk milk collections from the applicant's farm during the period that the applicant will be required to repay the loan.

(2) The assistance provided for by clauses 15BA and 15BB shall not be given under the Scheme in the case of a particular farm unless the Authority is satisfied that there is a reasonable prospect that, by reason of the assistance and considering other assistance provided under the Scheme in respect of the farm, the farm will be an economic unit.

(3)

Dairy Adjustment Programme Agreement Ratification.

(3) It shall be a condition of a loan under the Scheme in accordance with clause 15BA or 15BB that the borrower is to be liable to make additional payments, as determined by the Authority, in the event of failure to repay an instalment of the loan on, or within a specified period after, the due date for that repayment. Such payments may take the form of interest calculated on the outstanding balance of the loan at a rate determined by the Authority.

C—DEVELOPMENT ASSISTANCE.

15CA. The Authority may make loans to the owners of marginal dairy farms, on such terms and conditions as the Authority deems appropriate in the circumstances of the case, for the purpose of meeting, in the case of a particular farm—

- (a) the cost of developing the farm to the point where the farm has the continuing capacity to produce from dairying or activities incidental to dairying a reasonable level of income, being a level which makes the farm an economic unit; and
- (b) the whole or a part of the cost of carrying on the farm during the period of development.

15CB. Assistance under the Scheme in accordance with clause 15CA shall not be given unless the Authority is satisfied that the person to be assisted has been unable to obtain a loan on reasonable terms from normal financial sources for the purposes for which the assistance is given.

D—DIVERSIFICATION ASSISTANCE.

15DA. Subject to clause 15DB, the Authority may—

- (a) make loans to the owners of marginal dairy farms, on such terms and conditions as it deems appropriate, for the purpose of meeting, in the case of a particular farm, the cost of converting by one or more of the following methods, the farm, wholly or in part, to a rural use other than dairying:
 - (i) the acquisition of land adjoining, or within a reasonable working distance of, the farm for the purpose of working that land and land comprised in the farm as a single unit;

Loans and
payments

(ii)

Dairy Adjustment Programme Agreement Ratification.

(ii) the improvement of, or the erection of structural improvements on land comprised in the farm, including any land referred to in sub-paragraph (i);

(iii) the purchase of livestock or equipment;

(b) make loans to the owners of marginal dairy farms that are, wholly or in part, being converted to a rural use other than dairying for the purpose of meeting, in the case of a particular farm, the whole or a part of the cost of carrying on the farm during the period of conversion;

(c) where milking plant or dairy bails on a marginal dairy farm that is, wholly or in part, being converted to a rural use other than dairying will lose some or all of its or their value to the owner of the farm after the conversion of the farm has been effected—pay to the owner of the farm an amount equivalent to the loss in value which the Authority considers has occurred.

Conditions of assistance 15DB. Assistance under the Scheme in accordance with clause 15DA shall not be given in the case of a particular farm unless the Authority is satisfied that—

(a) the proposed use of land comprised in the farm (including any land proposed to be acquired) will be a more practicable and economic use of the land than dairying;

(b) there is a reasonable prospect that, by reason of the assistance, the farm (including any land proposed to be acquired) will produce a reasonable level of income, being a level which makes the farm an economic unit; and

(c) the person to be assisted has been unable to obtain a loan for the relevant purpose on reasonable terms from normal financial sources.

E—RELOCATION ASSISTANCE.

Loans on disposal 15E. (1) The Authority may make loans (including interest-free loans) on such terms and conditions as it deems appropriate in the circumstances of the case, to persons, who after the 21st August 1974 have disposed of, or dispose of, to or with the approval of the Authority rural properties that are at the time of disposal marginal dairy farms, being loans for the purpose of alleviating conditions of personal hardship being borne by the person concerned or a dependant of that person.

(2)

Dairy Adjustment Programme Agreement Ratification.

(2) The maximum amount for a loan made in accordance with this clause shall be Three thousand dollars (\$3000) in any one case or such other amount as may be agreed from time to time by the Minister and the State Minister.

F—GENERAL.

16A. The Authority shall not be under any obligation under the Scheme to acquire any particular holding or approve of any particular application.

16B. Matters in connexion with the Scheme not provided for in this agreement (other than financial arrangements) shall be carried out as agreed from time to time by the Minister and the State Minister.

IV—FINANCIAL ARRANGEMENTS.

17. (1) Subject to and to compliance by the New South Wales Government and the Authority with the provisions of this agreement, the Australian Government shall, in accordance with and subject to the provisions of this agreement, provide, out of a total sum of Forty-three million dollars (\$43,000,000) available to all the States, financial assistance to the State for the purposes of the Scheme.

(2) The financial assistance shall consist of amounts equal to the amounts expended by the Authority in accordance with applications under the Scheme lodged with, and approved by, the Authority before the 1st July 1976 and for the purposes of this Part IV of this agreement is classified as—

(a) loans and payments in relation to the change-over to refrigerated bulk milk delivery in accordance with clauses 15BA and 15BB; and

(b) other expenditure by the Authority in accordance with the Scheme.

18. Notwithstanding anything contained in this agreement, the Australian Government shall not be obliged to make payments of financial assistance to the State under this agreement if the making of the payment would mean that payments by the Australian Government under this agreement and under agreements with other States in respect of like schemes would exceed in total the said sum of Forty-three million dollars (\$43,000,000).

Dairy Adjustment Programme Agreement Ratification.

- Advances 19. (1) The Treasurer may, at such times and in such amounts as he thinks fit, make advances on account of the payments that may be made by the Australian Government under clause 21.
- (2) An amount or part of an amount advanced by the Treasurer under this clause may be deducted by the Australian Government from an amount that subsequently becomes payable under clause 21 or, if no further amounts will become payable under that clause, shall be refunded by the State to the Australian Government at the request of the Treasurer.
- Use of advances 20. The New South Wales Government 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 21. The Australian Government shall, from time to time, at the request of the New South Wales Government 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.
- Supporting financial evidence 22. (1) The New South Wales Government shall furnish to the Treasurer such documents and other evidence to justify the making of an advance under clause 19 or in support of a request by the New South Wales Government for a payment to it by the Australian Government under clause 21 as the Treasurer may from time to time reasonably request, whether the request by the Treasurer is made before or after the Australian Government has made the advance or a payment pursuant to the request by the New South Wales Government.
- (2) Any statement of expenditure by the New South Wales Government furnished to the Treasurer in connexion with a request for a payment under clause 21 shall be certified by the Auditor-General of the State as to its correctness in accordance with the books and documents of the Authority.
- Interest 23. Interest at the rate of six per centum per annum shall accrue in respect of so much of each amount that has been advanced or paid to the State under this agreement in respect of expenditure referred to in paragraph (2) (b) of clause 17 as is repayable and has not for the time being been refunded or repaid to the Australian Government calculated from the date upon which the advance or payment was made by the Australian Government and compounded with half-yearly rests.

Dairy Adjustment Programme Agreement Ratification.

24. (1) Subject to the provisions of this clause, the State shall repay to the Australian Government the whole of the payments made to the State under clause 21 in respect of assistance by way of loans referred to in paragraph (2) (a) of clause 17 and of the advances of such assistance made to the State and not refunded under clause 19 by twenty (20) equal consecutive half-yearly payments, the first payment to be made on the fifteenth day of July of the first financial year that occurs after the payment or advance was made by the Australian Government to the State and subsequent payments to be made on each succeeding fifteenth day of January and fifteenth day of July until the full amount of the repayment has been paid. Repayments

(1A) Subject to the provisions of this clause, the State shall repay to the Australian Government one half of each payment made to the State under clause 21 in respect of assistance referred to in paragraph (2) (b) of clause 17 and one half of so much of each advance of such assistance made to the State and as is not refunded under clause 19, together with the interest referred to in clause 23, by forty-six (46) equal consecutive half-yearly payments, the first payment to be made on the fifteenth day of July of the second financial year that wholly occurs after the payment or advance was made by the Australian Government to the State and subsequent payments to be made on each succeeding fifteenth day of January and fifteenth day of July thereafter until the full amount of the repayment, including interest, has been paid.

25. (1) In addition to making payments in accordance with clause 24, the State may on the fifteenth day of January or on the fifteenth day of July in any year, after the State Treasurer has given to the Treasurer notice in writing of at least one month of the intention to do so, pay to the Australian Government an amount that has been specified in the notice of the repayments that remain to be made by the State under that clause. Prepay-
ments

(2) Interest at the rate of six per centum per annum shall accrue on amounts paid by the State in respect of assistance under paragraph (2) (b) of clause 17 in accordance with sub-clause (1) of this clause, calculated from the date of payment and compounded with half-yearly rests on each fifteenth day of January and fifteenth day of July.

(3) When on any fifteenth day of January or fifteenth day of July the payment due by the State under clause 24 exceeds the amount by which the unrepaid balance of the total amount repayable under that clause together with (where applicable) interest accrued on that total amount up to and including that date exceeds the total
of

Dairy Adjustment Programme Agreement Ratification.

of the amounts paid by the State to the Australian Government in accordance with sub-clause (1) of this clause together with (where applicable) interest accrued on those amounts up to and including that date under sub-clause (2) of this clause, the State shall pay to the Australian Government the amount of the second-mentioned excess in lieu of the amount due under clause 24 and no further payments shall be required to be made by the State to the Australian Government under that clause.

Financial
administra-
tion and
adjustments

26. (1) The New South Wales Government agrees that the Scheme will be operated in such a way that, taking into account its experience with other schemes of rural assistance and the normal expectations as to factors that affect farmers' incomes that are current at the date of this agreement, the amount received by the Authority in the course of the operation of the Scheme could be reasonably expected to equal the State's costs of administration and the payments of principal and interest which the State is required to make to the Australian Government under this agreement.

(2) Should the New South Wales Government certify that after allowing for the State's administrative costs, the State incurred losses under the Scheme from circumstances beyond its control arising after the date of this agreement and disadvantageous compared with past experience and normal expectations as to factors that affect farmers' incomes referred to in sub-clause (1) of this clause, the Australian Government agrees to review the position with the New South Wales Government with a view to adjusting amounts payable to the Australian Government 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 Australian Government and the amounts of the payments that are to be made may be varied in such manner as is agreed between the Australian Government and the New South Wales Government upon a review carried out in accordance with sub-clause (2) of this clause.

Financial
estimates

27. The New South Wales Government shall prepare and furnish the Treasurer not later than the thirtieth day of April in each year a statement or statements showing the estimated expenditure necessary to operate the Scheme during the next financial year and estimates of the amounts that the New South Wales Government will request the Australian Government to pay to the State under this agreement during that financial year.

Dairy Adjustment Programme Agreement Ratification.

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

(2) Until such time as the total amount of the financial assistance to be provided to the State has been provided by the Australian Government and applied by the State in accordance with this agreement and supporting evidence to the satisfaction of the Treasurer in relation to all amounts advanced or paid by the Australian Government has been furnished by the New South Wales Government, 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, indicating whether the expenditure of moneys is in accordance with this agreement and including reference to such other matters arising out of the audits as the Auditor-General of the State considers should be reported to the Treasurer.

29. Financial arrangements in connexion 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 the State Treasurer. Other financial arrangements

V—GENERAL PROVISIONS.

30. The New South Wales Government shall provide for and secure the performance by the State and its instrumentalities of the obligations of the State under this agreement. State to secure performance

31. The New South Wales Government shall report to the Australian Government on the progress and conduct of the Scheme at the intervals and in the form agreed from time to time by the Minister and the State Minister or by their respective delegates in that behalf. Reporting

32. The Australian Government or the New South Wales Government when requested by the other shall arrange for consultations between officers of the Australian Government and the New South Wales Government on any matters in connexion with the Scheme. Consultation

IN

Dairy Adjustment Programme Agreement Ratification.

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

SIGNED by the Honourable EDWARD GOUGH WHITLAM, Prime Minister of Australia, in the presence of— G. H. BLUNDEN.	}	E. G. WHITLAM. (L.S.)
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SIGNED by the Honourable SIR ROBERT WILLIAM ASKIN, Premier of New South Wales, in the presence of— R. E. GRIFFIN.	}	R. W. ASKIN. (L.S.)
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In the name and on behalf of Her Majesty I assent to this Act.

L. W. STREET,
Lieutenant-Governor.

Government House,
Sydney, 16th April, 1975.

