

## LOAN (FARMERS' DEBT ADJUSTMENT).

### No. 23 of 1935.

An Act to authorize the Raising and Expending of certain sums of money to provide for the Grant of Financial Assistance to the States in the making of payments to or for the benefit of Farmers, and for other purposes.

[Assented to 13th April, 1935.]

**B**E it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

Short title.

1. This Act may be cited as the *Loan (Farmers' Debt Adjustment) Act 1935*.

Definitions.

2. In this Act, unless the contrary intention appears—

“Farmer” means any person who, being the owner, lessee or occupier of land, is engaged, otherwise than as an employee, in farming operations on that land, and includes the owner, lessee, or occupier of any land on which farming operations are being carried on under a share farming agreement to which he is a party, and the personal representatives of a deceased farmer;

“Farming operations” means farming, agricultural, horticultural, pastoral or grazing operations, and, without affecting the generality of the foregoing provisions, includes dairy-farming, poultry-farming and bee-farming, and also viticultural operations.

Treasurer may borrow  
£12,100,000.

3. The Treasurer may, from time to time, under the provisions of the *Commonwealth Inscribed Stock Act 1911-1933*, or under the provisions of any Act authorizing the issue of Treasury Bills, borrow moneys not exceeding in the whole the amount of Twelve million one hundred thousand pounds.

Purposes for which money may be expended

4. The amount borrowed shall be issued and applied only for the expenses of borrowing and for the purpose of expenditure in accordance with this Act to provide for the grant to the several States, by way of financial assistance, of moneys to be used for the payment to or for the benefit of farmers to enable them to make compositions or schemes of arrangement with their creditors in respect of their debts.

5. There shall be issued and applied, out of the proceeds of any loan raised under the authority of any Loan Act, including this Act, the sum of Twelve million pounds for the purpose of making the grants specified in the next succeeding section.

Issue and application of £12,000,000.

6.—(1.) There shall, subject to this Act, be granted to the States specified in this section, by way of financial assistance to those States, the amounts respectively specified opposite the names of those States, for the purpose of making payments to or for the benefit of farmers to enable them to make compositions or schemes of arrangement with their creditors in respect of their debts:—

Grants to States.

New South Wales	..	..	£3,450,000
Victoria	..	..	£2,500,000
Queensland	..	..	£1,150,000
South Australia	..	..	£1,300,000
Western Australia	..	..	£1,300,000
Tasmania	..	..	£300,000

(2.) In addition to the amounts granted in pursuance of the last preceding sub-section, there shall, subject to this Act, be granted to the States specified in that sub-section, by way of financial assistance, the amount of Two million pounds for the purpose specified in that sub-section.

(3.) No grant shall be made under this Act to a State unless or until there is in force in the State legislation constituting an authority empowered on application being made to it, and at its discretion, to take action having the effect of suspending, either wholly or in part, the rights of any secured or unsecured creditor of a farmer against that farmer.

(4.) The amount granted in pursuance of sub-section (2.) of this section shall be apportioned among the several States so that the amount payable to any State shall be such amount as bears to the sum of Two million pounds the same proportion as the amount payable to that State in pursuance of sub-section (1.) of this section bears to the sum of Ten million pounds, unless, from information furnished by the States or any of them, on or before the thirtieth day of June, One thousand nine hundred and thirty-six, the Treasurer is of opinion that such apportionment would not be reasonable and proper.

(5.) Where the Treasurer, from information so furnished, is of opinion that the apportionment prescribed in the last preceding sub-section would not be reasonable and proper, the amount shall be apportioned in such manner as the Treasurer after full consideration of all the circumstances, determines.

(6.) The moneys payable to any State in pursuance of this Act shall be payable in such instalments and at such times as the Minister thinks fit.

Application  
of moneys paid  
under  
section six.

7.—(1.) Any moneys granted to a State under the last preceding section shall be paid upon the following conditions :—

- (a) The moneys shall be used by the State, in pursuance of a scheme authorized by or under the law of the State (in this section referred to as "the State scheme"), for the purpose of discharging, in whole or in part, the debts of farmers by means of compositions or schemes of arrangement between farmers and any or all of their creditors ;
- (b) No payment of any of the moneys shall be made to or for the benefit of any farmer unless, in the opinion of the authority administering the State scheme, the farmer will have, as the result of any composition or scheme arranged, a reasonable prospect of successfully carrying on farming operations ;
- (c) No payment of any of the moneys shall be made to or for the benefit of any farmer for the purpose of discharging, in whole or in part, any debt of the farmer, unless in the opinion of the authority administering the State scheme, some discharge of the debt is necessary to ensure that the farmer will continue to carry on farming operations and to give him a reasonable prospect of carrying on those operations successfully ;
- (d) If any of the moneys are advanced to or for the benefit of the farmer and are repaid wholly or in part to the State, the moneys so repaid shall be applied by the State for the purposes of the State scheme, and, for the purposes of this section, shall be deemed to be moneys granted to the State under this Act ;
- (e) No payment under a composition or scheme of arrangement shall be made in respect of any debt due or accruing due to the Commonwealth or the State or to a Governmental authority ;
- (f) No portion of the moneys shall be used for the payment of the expenses incurred by the State in or in connexion with the application of the moneys ;
- (g) For the purpose of enabling the Auditor-General for the Commonwealth to comply with the provisions of the next succeeding section, the State shall give him access to all buildings, places, documents and papers of the State, and shall permit him to make extracts from or copies of any such books, documents or papers ;
- (h) Subject to the conditions prescribed in the foregoing provisions of this section, the State shall undertake the complete administration and distribution of the moneys ; and
- (i) That the State shall furnish to the Minister within fourteen days after the first day of January and within fourteen days after the first day of July of each year a certificate

by the Auditor-General of that State as to the compliance or otherwise by that State with the conditions specified in the foregoing provisions of this section.

(2.) For the purposes of paragraph (c) of the last preceding subsection, the expression "Governmental authority" includes any body, corporate or unincorporate, constituted by or under the law of the Commonwealth or a State whose funds have been provided in whole or in part, by the Commonwealth or a State, or whose obligations are guaranteed, in whole or in part, by the Commonwealth or a State, but does not include a municipal corporation or other local governing body.

8.—(1.) On or before the first day of January and the first day of July in each year, the Auditor-General for the Commonwealth shall, in respect of each State, furnish to the Minister a certificate stating whether or not during the period of six months immediately preceding the furnishing of the certificate, or, in the case of any certificate, other than the first, during the period which has elapsed since the furnishing of the last preceding certificate, there has been any breach by the State of the conditions of the grant.

Certificates  
of Auditors-  
General.

(2.) If at any time it comes to the knowledge of the Auditor-General for the Commonwealth that there has been a breach by a State of any condition of the grant, the Auditor-General shall forthwith furnish to the Minister a certificate stating particulars of the breach.

(3.) If it appears to the Minister from any certificate furnished by the Auditor-General for the Commonwealth or the Auditor-General of a State that a State has committed a breach of any condition of the grant, the Minister may direct that the amount granted to the State in pursuance of section six of this Act be reduced by such amount as he thinks fit, and that amount shall be reduced accordingly.

9.—(1.) Any deed of arrangement made or given under or in pursuance of the provisions of any State Act to which this section applies shall not be void by reason of any provisions contained in Part XII. of the *Bankruptcy Act* 1924-1933.

Deeds of  
arrangement  
made under  
State Acts.

(2.) This section shall, subject to the provisions of sub-sections (3.) and (4.) of this section, apply to any State Act declared by Proclamation to be a State Act to which this section applies.

(3.) The application of this section to any State Act shall be subject to such limitations as are specified in the Proclamation applying this section to the State Act.

(4.) The Governor-General may, by Proclamation, revoke or vary any Proclamation made in pursuance of sub-section (2.) of this section.

10. A payment made to any creditor of a farmer, out of moneys granted or deemed to be granted to a State under this Act, and in accordance with the conditions upon which the moneys are granted, shall not be rendered void or invalid by reason of any provisions of the *Bankruptcy Act* 1924-1933.

Protection of  
payments to  
creditors.