

States Grants (Fruit-growing Reconstruction)

No. 112 of 1972

An Act relating to an Agreement between the Commonwealth and one or more of the States in respect of a Scheme to provide Assistance to Persons engaged in Fruit-growing.

[Assented to 31 October 1972]

BE it enacted by the Queen'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 *States Grants (Fruit-growing Reconstruction) Act 1972*.
- Commencement.** 2. This Act shall come into operation on the day on which it receives the Royal Assent.
- Approval of execution of agreement.** 3. The execution, on behalf of the Commonwealth, of an agreement between the Commonwealth and all or any of the States substantially in accordance with the form set out in the Schedule to this Act is approved.
- Appropriation for financial assistance.** 4.—(1.) The payments of the Commonwealth to a State provided for in the agreement referred to in the last preceding section, including advances made by the Treasurer under the agreement, may be made to the State, by way of financial assistance on the terms and conditions contained in—
(a) that agreement; or
(b) if the Schedule to that agreement is amended in accordance with that agreement, that agreement as so amended.
(2.) The payments referred to in the last preceding sub-section may be made out of the Consolidated Revenue Fund, which is appropriated accordingly.
- Modification of Rural Reconstruction Agreement.** 5. Payments may be made under section 4 of the *States Grants (Rural Reconstruction) Act 1971* as if a reference in that section to the agreement referred to in section 3 of that Act were a reference to that agreement as modified by the agreement referred to in section 3 of this Act.

THE SCHEDULE

Section 3.

AN AGREEMENT made the _____ day of _____ One thousand nine hundred and seventy- between—

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

THE STATE OF NEW SOUTH WALES of the second part,

THE STATE OF VICTORIA of the third part,

THE STATE OF QUEENSLAND of the fourth part,

THE STATE OF SOUTH AUSTRALIA of the fifth part,

THE STATE OF WESTERN AUSTRALIA of the sixth part, and

THE STATE OF TASMANIA of the seventh part.

WHEREAS—

- (a) the Commonwealth and the States recognise that there is need to provide assistance to persons engaged in fruit-growing industries throughout Australia in the interest of those industries and of Australia generally;
- (b) Ministers of the Commonwealth and of the States have agreed upon the Outline of Proposals for Fruit-growing Reconstruction set out in the Schedule to this Agreement as constituting a Scheme under which assistance could be provided to assist in removing surplus trees;
- (c) the carrying out of the said Scheme is dependent upon financial assistance being granted by the Parliament of the Commonwealth to the States for that purpose;
- (d) the Parliament of the Commonwealth has authorized the execution of this Agreement by and on behalf of the Commonwealth and the provision of financial assistance to the States as provided in this Agreement,

NOW IT IS HEREBY AGREED as follows:

I.—INTRODUCTORY

1.—(1.) This Agreement, as between the Commonwealth and a State, shall come into force when it has been entered into by the Commonwealth and the State and, upon coming into force, shall, if the Commonwealth and the State so agree, be deemed to have commenced on a date prior to its execution having been authorized as aforesaid but not, in any case, earlier than the fourteenth day of July, 1972. Operation of Agreement.

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

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

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

3.—(1.) In this Agreement, unless the contrary intention appears—

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

THE SCHEDULE—*continued*

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

“ the Treasurer ” means the Treasurer of the Commonwealth; and

“ trees ” means fruit trees and includes grapevines.

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

II. ADMINISTRATION OF SCHEME

State to operate Scheme. 4.—(1.) Each State will, by using the financial assistance provided by the Commonwealth in accordance with this Agreement, establish and operate a scheme of financial assistance to persons engaged in fruit-growing industries in that State.

(2.) The Scheme shall consist of the assistance described in, and shall be established and operated in conformity and in accordance with the general principles and the provisions set out in, the Outline of Proposals for Fruit-growing Reconstruction contained in the Schedule to this Agreement, as amended at any time in pursuance of clause 6 of this Agreement.

Administration Costs. 5. Each State will provide from its own budget the administrative costs incurred in and in connexion with the establishment and operation of the Scheme.

Amendment of Schedule. 6.—(1.) The provisions of the Schedule to this Agreement may be amended from time to time by agreements between the Minister of the Commonwealth and the Ministers of the States for the time being responsible for the administration of the Scheme.

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

III. FINANCIAL ASSISTANCE

Provision of Financial Assistance. 7. Subject to, and to the performance by the State of, the provisions of this Agreement, the Commonwealth will make available to a State for the purposes of the Scheme out of a sum of Four million six hundred thousand dollars (\$4,600,000) available to all the States, financial assistance consisting of amounts equal to amounts committed by the Authority in respect of applications by growers for assistance for removal of trees received by the Authority after the fourteenth day of July, 1972, and not later than the thirtieth day of June, 1973.

Total Financial Assistance to States. 8. Notwithstanding anything contained in this Agreement, the Commonwealth shall not be obliged to make payments of financial assistance to a State under this Agreement if the making of the payment would mean that payments by the Commonwealth under this Agreement would exceed in total the said sum of Four million six hundred thousand dollars (\$4,600,000).

Advances. 9.—(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 Commonwealth under clause 11 of this Agreement.

(2.) An amount or part of an amount advanced by the Treasurer under this clause may be deducted by the Commonwealth from an amount that subsequently becomes payable under clause 11 of this Agreement or, if no further amounts will become payable under that clause, shall be refunded by the State to the Commonwealth at the request of the Treasurer.

Use of Advances. 10. A State shall ensure that an amount or any part of an amount, advanced to the State and not refunded under the last preceding clause is not used or applied except for the establishment or operation of the Scheme.

Payments of Financial Assistance. 11. The Commonwealth shall, from time to time, at the request of a State and subject to the provisions of this Agreement, make payments to the State of the financial assistance to be provided to the State under this Agreement in amounts equal to the expenditure incurred by the State (other than administrative expenses) in the establishment and operation of the Scheme.

THE SCHEDULE—continued

12.—(1.) A State shall furnish to the Treasurer such documents and other evidence to justify the making of an advance under clause 9 of this Agreement or in support of a request by the State for a payment to it by the Commonwealth under the last preceding clause as the Treasurer may from time to time reasonably request, whether the request by the Treasurer is made before or after the Commonwealth has made the advance or a payment pursuant to the request by the State. Supporting
Financial
Evidence.

(2.) Any statement of expenditure by a State furnished to the Treasurer in connexion with a request by the State for a payment under clause 11 of this Agreement shall be certified by the Auditor-General of the State as to its correctness in accordance with the books and documents of the Authority.

13. A State shall repay to the Commonwealth amounts equal to any amounts received by the State by way of interest on, or in repayment of, loans made under the Scheme. Repayments
by States.

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

(2.) A report on the audits of the operation of the scheme shall be furnished by the Auditor-General of the State to the Treasurer as soon as possible after the completion of the audits.

IV. GENERAL

15.—(1.) The provision of assistance under the Scheme will not preclude the person who receives the assistance from also receiving assistance under the Rural Reconstruction Scheme to the extent the person is eligible for that assistance. Rural
Reconstruction
Agreement.

(2.) Where a person has applied for assistance under both Schemes, the provisions of the Rural Reconstruction Scheme will not operate to prevent the Authority negotiating with the applicant and the creditors of the applicant to take over the property, remove all the trees and dispose of the land, whether under the farm build-up provisions of that Scheme or otherwise, and in that event—

(a) the net amount that may be brought to account as expenditure for the purposes of clause 15 of the Rural Reconstruction Agreement will not exceed—

(i) the amount of finance provided under that Scheme to an incoming purchaser of the cleared land; or

(ii) the amount by which the sum of the costs of clearing and the purchase price paid to the outgoing farmer exceeds the sum of the tree removal assistance and the incoming purchaser's cash deposit,

whichever is the lesser amount; and

(b) the amount of the tree removal assistance may be less than but will not be greater than the amount that would have been provided if the farmer were responsible for removing the trees.

(3.) In this clause, "the Rural Reconstruction Agreement" means the Agreement entered into by the Commonwealth in pursuance of the *States Grants (Rural Reconstruction) Act 1971* and references to "the Rural Reconstruction Scheme" refer to the scheme of financial assistance being operated by the relevant State in accordance with that Agreement.

16.—(1.) The operation of the Scheme in relation to all of the States will be reviewed from time to time as appropriate by the Commonwealth and the States in the light of experience in its administration. Review.

(2.) A review under sub-clause (1.) of this clause shall be carried out early in February, 1973.

17. The State Authorities will supply to the Commonwealth from time to time such information regarding the operation of the Scheme as may be reasonably requested by the Commonwealth and will participate in periodic reviews of the effectiveness of the Scheme. Supply of
Information.

THE SCHEDULE

Clause 4.

OUTLINE OF PROPOSALS FOR FRUIT-GROWING RECONSTRUCTION

Part I—Eligibility for Assistance

1.1 A fruit-growing industry will qualify for financial assistance under the Scheme—

(a) if there is generally accepted to be a period of at least five years between planting of its trees and the trees reaching the stage of full bearing;

THE SCHEDULE—*continued*

- (b) if its trees are generally accepted as having a commercial bearing life of at least ten years after the commencement of full bearing; and
 - (c) if the Commonwealth and the States agree that there is a chronic over-supply of the commodity produced from its trees,
- and shall be so qualified during such time as the Commonwealth and the State are agreed that sub-paragraph (c) continues to apply.
- 1.2 The canning peach and canning pear and fresh apple and fresh pear industries shall be regarded as having qualified for financial assistance as from the commencement of the Scheme.
 - 1.3 A grower will be eligible to apply for assistance under the Scheme if the Authority is satisfied that the number of trees which the grower has, of the kind that qualifies for assistance, constitutes a commercial operation and either—
 - (a) the grower is predominantly a horticulturist who is in severe financial difficulties and intends to clear-fell his orchard and leave the fruit-growing industry; or
 - (b) the grower does not have adequate resources to withstand the short term effects on his economic viability of removing the trees without assistance, the surplus of the horticultural commodity concerned is threatening the long term viability of his property, and in the opinion of the Authority the enterprise has sound prospects of long term commercial viability after removal of the surplus trees and taking into account other potential use of the land.
 - 1.4 Companies will not be eligible for assistance unless the Authority, having considered the shareholdings and being satisfied that the shareholders are bona fide primary producers relying primarily on the income from the company for their livelihood and that the shareholders are in the financial position described in sub-paragraph (a) or (b) of the last preceding paragraph, considers it appropriate to provide assistance.
 - 1.5 Whether an eligible grower is to receive assistance under the Scheme will be determined by the Authority upon consideration of the relevant application and following an inspection of the property to ensure that the grower is eligible and to assess the level of assistance that may be determined, but the Authority shall not be required to provide assistance in any case.

Part II—Assistance

- 2.1 The actual rate of assistance provided in each case will be determined, relative to the maximum rate, by the Authority, taking into account yield of the trees per acre, age, condition and variety, market access and other circumstances of the individual case deemed relevant by the Authority, including whether it is necessary for a composition of creditors to be arranged and for the rural reconstruction authority to take over the property.
- 2.2 The maximum rate of assistance will be \$500 per acre for canning peaches and canning pears and \$350 per acre for fresh apples and fresh pears.
- 2.3 The Authority will administer the Scheme so that the average rate of assistance does not exceed \$350 per acre for canning peaches and canning pears and \$200 per acre for fresh apples and fresh pears, respectively.
- 2.4 Maximum rates of assistance and maxima for average rates of assistance will be agreed between the Commonwealth and the States in respect of any other products to which assistance under the Scheme is accorded.
- 2.5 Financial assistance shall be allocated among qualifying fruit-growing industries as from time to time agreed between the States and the Commonwealth, but the initial objective is that \$2.3 million will be applied for the removal of canning peach and canning pear trees and \$2.3 million for the removal of fresh apple and fresh pear trees. This allocation will be reviewed in the event that the Scheme is extended to other fruit-growing industries.

Part III—Conditions

- 3.1 A grower will be entitled to receive assistance payments only if the relevant trees are removed before a date specified by the Authority when approving the application. In any case, no assistance will be paid in respect of trees removed after 31 October, 1973.

THE SCHEDULE—*continued*

- 3.2 It will be a condition of any assistance granted under the Scheme that the recipient undertakes not to plant within five years from receipt of the assistance any trees which may be specified by the Authority during that period, other than replacement trees as provided for under the next succeeding paragraph.
 - 3.3 A grower who has been assisted under the Scheme to remove part of an orchard will not be in breach of the undertaking referred to in the last preceding paragraph by reason only of having planted trees in replacement of trees removed without assistance after the grower has been assisted, provided the number of specified trees the grower has at any one time does not exceed the number of specified trees the grower had immediately after the completion of the removal of trees with assistance under the Scheme.
 - 3.4 The Commonwealth and the States will agree on which trees will be specified from time to time for the purposes of paragraph 3.2 above.
 - 3.5 Assistance under the Scheme will be provided in the form of a loan bearing interest at such a rate as the Authority may determine, but the interest shall not be payable so long as the recipient observes the undertaking referred to in paragraph 3.2 above.
 - 3.6 In the event that the recipient of the assistance breaches the undertaking referred to in paragraph 3.2 above the loan made to him and all interest that has accrued thereon become payable in full immediately.
 - 3.7 Where the recipient observes the undertaking referred to in paragraph 3.2 above for the full period of five years the loan is not repayable, and all interest will be rebated.
 - 3.8 The Authority shall ensure that an encumbrance is taken over the title to the land in respect of which assistance is provided under the Scheme to secure the observance of the undertaking referred to in paragraph 3.2 above and payment in the event of breach of the undertaking as referred to in paragraph 3.6 above.
 - 3.9 The Authority will use its best endeavours to secure repayment of the loan and payment of interest in accordance with paragraph 3.6 above by enforcement of the obligation of the recipient of the assistance or by exercise of its rights under the security, or both, as appropriate.
 - 3.10 A transfer of the property in respect of which assistance has been provided will not be permitted until the recipient is not liable for the repayment of the loan and payment of interest except with the consent of the Authority, which will upon transfer, or upon succession on the death of the recipient, have the right to review its arrangements in respect of the property.
 - 3.11 The Authority may attach such additional conditions to the provision of assistance as it sees fit.
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