

# Marginal Dairy Farms Agreements

No. 35 of 1970

An Act to provide for Financial Assistance to the States  
for the purposes of Marginal Dairy Farms  
Reconstruction Schemes.

[Assented to 23 June 1970]

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

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| Short title.               | 1. This Act may be cited as the <i>Marginal Dairy Farms Agreements Act 1970</i> .  |
| Commence-<br>ment.         | 2. This Act shall come into operation on the day on which it receives the Royal Assent.  |
| Definitions.               | 3. In this Act, unless the contrary intention appears—<br>“ acquisition ” includes acceptance of the surrender of a leasehold interest;<br>“ agreement ” means an agreement made in pursuance of sub-section (1.) of section 4 of this Act;<br>“ disposal ” includes the surrender or grant of a leasehold interest, and “ dispose of ” has a corresponding meaning;<br>“ land ” includes a leasehold interest in land;<br>“ price ” includes the consideration for the surrender of a leasehold interest. |
| Agreements<br>with States. | 4.—(1.) The Commonwealth may make with any State an agreement providing for the making of payments by the Commonwealth to the State for the purposes of a marginal dairy farms reconstruction scheme to be operated by the State in accordance with the agreement.<br><br>(2.) An agreement under the last preceding sub-section may be amended by a further agreement, but so that the amended agreement  |

complies with the requirements that are applicable to agreements made in pursuance of that sub-section.

5.—(1.) An agreement shall not be made unless the Minister is satisfied that the scheme to which the agreement relates complies with the requirements of this section.

Schemes to  
comply with  
certain  
requirements.

(2.) The expression “ marginal dairy farm ” shall be so defined for the purposes of the scheme as to include only rural properties not less than one half of the gross income from which is obtained from the production of milk or cream that is sold at a price pertaining to milk or cream to be used in the manufacture of butter, cheese or other products, being rural properties that are not reasonably capable, if used only for dairying and purposes incidental to dairying, of producing a reasonable level of income, being a level ascertained in the manner provided by or under the agreement.

(3.) The scheme shall—

- (a) provide for the making of agreements between the State or an authority of the State and the owners of land comprised in marginal dairy farms in the State for the disposal of the land (including structural improvements on the land) to the State or the authority of the State at prices based on market values current at the time of the disposal; and
- (b) provide for the disposal by the State or the authority of the State 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 on market values current at the time of the disposal, but may take into account the nature of the proposed use of the land;
  - (ii) a person obtaining land from the State or the authority of the State will not be required to pay for structural improvements on the land that are unsuitable or redundant in relation to the proposed use of the land by that person;
  - (iii) land will not be disposed of for use primarily for dairying unless it is to be so used as part of a rural property that constitutes an economic unit in accordance with tests provided for by or under the agreement; and
  - (iv) disposals under the scheme will be made so as to encourage the most practicable and economic use of land, with a view to achieving, so far as is consistent with such land use, the diversification of production.

(4.) The scheme may extend to the acquisition under the scheme, with the consent of the Minister and of a Minister of State of the State concerned, of land comprised in a rural property used wholly or partly for dairying but not being a marginal dairy farm as defined for the purposes of the scheme, as if it had been such a marginal dairy farm.

Payments by  
Commonwealth.

6.—(1.) The payments by the Commonwealth that may be provided for by an agreement, for the purposes of the scheme to which the agreement relates, shall be amounts equal to the amounts expended by the State, before the expiration of the period of four years commencing on the date of the agreement first made with any State, as the price of land (including structural improvements on the land) acquired by the State under the scheme.

(2.) An agreement may make provision for and in relation to the payment by the Commonwealth to the State, in addition to the amounts referred to in the last preceding sub-section, of supplementary amounts in respect of expenditure by the State in relation to dairy farms, before the expiration of the period of four years referred to in that sub-section, for purposes which, in the opinion of the Minister, are conducive to the objects of the scheme to which the agreement relates.

Total amount  
available for  
payments  
to States.

7. The total of all payments (including advances) by the Commonwealth under agreements made under this Act shall not exceed Twenty-five million dollars, and the agreements shall be so expressed that they do not provide for payments by the Commonwealth in excess of that amount.

Conditions of  
payments.

8. A payment (including an advance) to a State by the Commonwealth under an agreement is paid by way of financial assistance to the State on the terms and conditions provided by the agreement.

Amounts  
repayable  
by State.

9.—(1.) Each agreement shall provide for—

- (a) the repayment to the Commonwealth, by instalments or otherwise, of an amount equal to one half of each payment to the State under provision made in the agreement in accordance with sub-section (1.) of section 6 of this Act, the repayment to be completed not later than twenty-five years from the date of the payment to the State; and
- (b) the payment to the Commonwealth by the State of interest on amounts so repayable and not repaid, from the date of the relevant payment to the State, at the rate of six per centum per annum.

(2.) An agreement may provide that the liability of the State in respect of repayments and payment of interest to the Commonwealth may be reduced to an extent not exceeding the extent necessary to prevent the performance of the agreement resulting in a loss to the State by reason of circumstances referred to in the agreement, being unexpected circumstances beyond the control of the State.

Advances.

10. An agreement may provide for—

- (a) the making by the Commonwealth to the State of advances on account of amounts that may become payable to the State under

provision made in the agreement in accordance with subsection (1.) of section 6 of this Act and the deduction of amounts so advanced from amounts becoming so payable; and

- (b) the terms and conditions (including terms and conditions relating to repayment and payment of interest) that are to be applicable to such advances, being terms and conditions that are appropriate having regard to the provisions made in the agreement in accordance with the last preceding section.

**11.** Amounts payable to the States under this Act, not exceeding in the whole Twenty-five million dollars, are payable out of the Consolidated Revenue Fund, which is, to the necessary extent, appropriated accordingly. Appropriation.

**12.** The Minister shall cause a copy of every agreement made under this Act, including every amending agreement, to be laid before each House of the Parliament within fifteen sitting days of that House after the date on which the agreement is made. Agreements to be tabled in Parliament.

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