

## LOANS TO PRODUCERS ACT, 1927.

BEING

LOANS TO PRODUCERS ACT, 1927, No. 1802 OF 1927  
[ASSENTED TO 30TH NOVEMBER, 1927.]

AS AMENDED BY

LOANS TO PRODUCERS ACT AMENDMENT ACT, 1927, No. 1828 OF 1927  
[ASSENTED TO 23RD DECEMBER, 1927.]

**An Act to consolidate certain Acts enabling loans to be made by the Government for the encouragement of rural production and of effective land settlement.**

BE IT ENACTED by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows:

Short title.

**1.** This Act may be cited as the “Loans to Producers Act, 1927.”

Acts consolidated and repealed.

**2.** This Act is a consolidation of the Acts mentioned in the schedule hereto, and the said Acts are hereby repealed to the extent therein mentioned.

Interpretation.

1312, 1917,  
s. 2,  
1375, 1919,  
s. 3,  
1703, 1925,  
s. 63.

**3.** In this Act, unless inconsistent with the context or subject matter—

“bank” means the State Bank of South Australia established by the State Bank Act, 1925:

“cool store” means—

(a) cool store for the storage or the packing of fruit, or the storage and packing of fruit, and all offices and conveniences in connection therewith; and

(b) the machinery used in connection with such store; and

(c) a packing shed or a grading shed:

“co-operative society” or “society” means a co-operative society to which a loan has been made under this Act:

“factory” includes buildings, machinery, and appliances:

“landholder” means the owner of any freehold estate in land, the holder of land under agreement with the Crown for the sale of such land upon credit, or the lessee of land held under lease from the Crown, not being a miscellaneous lease.

4. (1) The fund, called “The Loans to Producers Fund,” which was constituted pursuant to the Loans to Producers Act, 1917, is hereby continued.

Loans to producers fund.  
1812, 1917,  
s. 3.  
1875, 1919,  
s. 4.  
1636, 1924,  
s. 2.  
1703, 1925,  
s. 63.

(2) The Treasurer shall set apart to the credit of the fund such loan moneys as are from time to time provided by Parliament for that purpose, not exceeding one hundred thousand pounds in any one financial year.

(3) All moneys received by the bank in repayment of loans shall be paid to the Treasurer, and be placed to the credit of the fund and form part thereof. Moneys received by way of interest on loans shall be paid to the Treasurer and be applied in aid of the general revenue of the State.

(4) The fund shall be held by the Treasurer and be applied to the purposes of this Act.

5. (1) Subject to the provisions of this Act, the bank may, in its discretion, with the object of encouraging rural production and effective land settlement, make loans out of the Loans to Producers Fund on the prescribed security to any co-operative society registered under the Industrial and Provident Societies Act, 1864, or the Industrial and Provident Societies Act, 1923, which is engaged, or is about to engage, in rural production, for—

Loans to producers.  
1812, 1917,  
s. 4.  
1458, 1921,  
s. 2.  
1636, 1924,  
s. 3.  
1703, 1925,  
s. 63.  
1708, 1925,  
s. 2.  
1730, 1926,  
s. 2.

- (a) the erection of cool stores; or
- (b) the erection of factories for jam-making and for canning, drying, or otherwise preserving fruit or vegetables; or
- (c) the erection of fruit-packing sheds; or
- (d) the erection or purchase of butter, cheese, or bacon factories; or
- (e) the purchase of fruit-grading machinery; or
- (f) the erection of silos; or
- (g) the erection or purchase of any shop or market for the sale of any rural products; or

(h) the sale, whether by wholesale or retail, or the preparation for sale, of any rural products; or

(i) any other prescribed purpose.

(2) A co-operative society shall be deemed to be engaged, or to be about to engage, in rural production if at least three-fourths of its members are engaged, or are about to engage, in rural production.

(3) Loans may also be made as mentioned in subsection (1) hereof to any landholder, but only for one or more of the purposes mentioned in paragraphs (e), (f), and (i) of that subsection.

Amended by  
1828, 1927,  
s. 2.

(4) Loans may also be made as mentioned in subsection (1) hereof to any person who holds any land on lease or agreement from the Crown for the purpose of clearing scrub or timber from such land.

Loans for  
fallowing.

Inserted by  
1828, 1927,  
s. 3

5a. (1) The bank may make loans out of the Loans to Producers Fund to any landholder for the purpose of enabling him to fallow his land or any portion thereof.

(2) Notwithstanding any Act or law to the contrary, a bill of sale given for the purposes of securing any loan made under this section shall, although given before the existence of any growing crop, be as valid and effectual and have the like force and effect as if it had been given on a growing crop.

Applications  
for loan.

1812, 1917,  
s. 5.  
1703, 1925,  
s. 63.

6. Every application for a loan shall—

(a) be made to the bank, and in the prescribed form, and shall contain such particulars as are prescribed; and

(b) be supported by such (if any) evidence as is prescribed, or as the bank requires.

Loans by  
instalments.

1812, 1917,  
s. 6.  
1703, 1925,  
s. 63.

7. (1) Any loan may be made by instalments, subject to anything prescribed in that behalf, as the purpose for which the loan is made is being carried out.

(2) If at any time, in the opinion of the bank, any money lent under this Act has not been applied for the purpose for which it was lent, or has not been carefully and economically expended, the bank may refuse to pay any further instalment of the proposed loan, and may at once call in the whole amount already lent, whereupon the society or landholder to which or to whom such money was lent shall forthwith repay the same, and in default the bank shall have the same remedies for the recovery of the same as are provided by section 12 of this Act or otherwise by law.

8. No loan shall be made under this Act to a landholder or to a co-operative society except upon the security of a mortgage or mortgages to the bank, or a lien or other prescribed security in favour of the bank over the landholder's estate and interest in his holding, or over the society's estate and interest in any land, or its interest in any goods or chattels, with or without such additional security as to the bank seems fit.

Loans to be secured by mortgage.

1312, 1917,  
s. 7.  
1505, 1922,  
s. 3.  
1703, 1925,  
s. 63.

9. (1) The Treasurer may, from time to time, by notice published in the *Government Gazette*, fix the annual rate of interest to be paid on loans, and also a higher rate to be paid by way of penalty instead of interest at the fixed rate on any occasion when interest at the fixed rate is not paid within such period after the due date for payment thereof as is fixed in the notice. The Treasurer may, in the same manner, annul any rate or penalty rate so fixed.

Treasurer may fix rate of interest on loans.

1312, 1917,  
s. 9.  
1505, 1922,  
s. 4.

(2) Any rate or penalty rate so fixed shall come into force on the fourteenth day after the date of the *Government Gazette* in which the same is published, and shall continue in force until the fourteenth day after the date of the *Government Gazette* in which the notice annulling the same is published.

(3) Any rate so fixed shall not be less than the rate payable by the Treasurer in respect of the loan moneys out of which loans are for the time being made.

10. (1) For the period for which the loan is made the society or landholder shall pay to the bank interest on the loan, or on the balance thereof for the time being unpaid, at the fixed rate.

Interest on loans, how payable.

1312, 1917,  
s. 10.  
1703, 1925,  
s. 63.

(2) Such interest shall be payable half-yearly, the first payment to be made on the first day of the seventh month commencing next after the loan is made.

(3) If any loan is made by instalments, interest shall be calculated on the actual amounts of the several instalments of such loan from the date when such instalments are respectively lent.

11. When a loan has been made to a co-operative society or landholder under this Act, such society or landholder shall repay to the bank such loan, together with simple interest on the balance thereof for the time being unpaid at the fixed rate, within such time and by such instalments and subject to such conditions as the bank determines.

Mode of repayment of loans.

1312, 1917,  
s. 11.  
1703, 1925,  
s. 63.

Remedies for  
recovery of  
instalments.  
1812, 1917,  
s. 12.  
1703, 1925,  
s. 63.

12. (1) In the case of a loan under this Act, in addition and without prejudice to any other remedy, if at any time any payment under this Act, or any part thereof, is unpaid for thirty days next after the time appointed for the payment thereof, then, although no legal demand may have been made for the payment thereof, the bank may enter upon the land charged, or any part thereof, and recover the amount due by distress and sale of any goods and chattels of the person or society making default in payment which are on such land, or such amount may be recovered from such person or society in any court of competent jurisdiction by action in the name of the bank.

(2) In the case of a loan under this Act, if at any time any payment required by this Act, or any part thereof, is unpaid for three months next after the time appointed for the payment thereof, then, although no legal demand has been made for the payment thereof, the bank may enter upon and take possession of the land upon the security of which the loan has been made, and may sell the estate and interest of the landholder or society therein, either by private sale or public tender or auction, and subject to any conditions of sale the bank thinks expedient and after such notice of the time, place, terms, and conditions of sale as the bank may think just and expedient, and may transfer such land to the purchaser and give a good and valid title thereto.

(3) The bank shall apply the proceeds derived from such sale in payment, in the first instance, of all moneys due in respect of such land, and in redemption of any amount charged thereon in favour of the bank, or of so much thereof as remains unpaid, and of all expenses incurred by the bank in relation to such sale or otherwise with respect to such land, and shall pay the balance (if any) to the persons or society appearing to the bank to be entitled to receive the same.

Power of bank  
to guarantee  
overdraft of  
co-operative  
society.  
1636, 1924,  
s. 4.  
1703, 1925,  
s. 63.

13. (1) In any case where any co-operative society registered under the Industrial and Provident Societies Act, 1864, or the Industrial and Provident Societies Act, 1923, which is engaged or about to engage in rural production, is desirous of carrying out some one of the purposes prescribed by or under section 5, and is unable to do so without financial assistance, the bank may, in its discretion, instead of making a loan to such society under this Act, enter into a contract with any other bank carrying on business in South Australia to guarantee the repayment of any advance made by such other bank to such society by way of overdraft for such purpose up to such amount as the bank thinks proper.

(2) Any sum which the bank becomes liable to pay to any other bank by reason of any guarantee entered into pursuant to the power conferred by this section shall be paid out of the Loans to Producers Fund.

14. The Governor may from time to time make regulations for all or any of the following purposes, namely:—

Regulations.  
1312, 1917,  
s. 13.  
1505, 1922,  
s. 5.  
1703, 1925,  
s. 63.

- (a) Prescribing the mode in which applications for loans are to be made:
  - (b) Regulating the consideration and granting of applications:
  - (c) Prescribing what inquiries and valuations shall be made in relation to applications:
  - (d) Adding to or altering the list of purposes for the carrying out of which loans may be made:
  - (e) Providing for the registration of mortgages and securities taken by the bank:
  - (f) Providing for the receipt and payment of moneys under this Act, and the safe custody of securities:
  - (g) Prescribing the fees to be paid in respect of loans:
  - (h) Prescribing anything which by this Act is required to be or may be prescribed:
  - (i) Generally for carrying out the objects and provisions of this Act.
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## THE SCHEDULE.

## Section 2.

### ACTS REPEALED.

Reference to Act.	Title.	Extent of Repeal.
No. 1312 of 1917.	Loans to Producers Act, 1917 . . . .	The whole
No. 1375 of 1919.	Loans to Producers Act Amendment Act, 1919	The whole
No. 1458 of 1921.	Loans to Producers Act Amendment Act, 1921	The whole
No. 1505 of 1922.	Loans to Producers Act Amendment Act, 1922	The whole
No. 1636 of 1924.	Loans to Producers Act Amendment Act, 1924	The whole
No. 1703 of 1925.	State Bank Act, 1925 . . . . .	Section 63 and the Fourth Schedule
No. 1708 of 1925.	Loans to Producers Act Amendment Act, 1925	The whole
No. 1730 of 1926.	Loans to Producers Act Amendment Act, 1926	The whole

### Regulations.

The following regulations were in force under this Act on 26th April, 1937:—

*Gazette*—21st July, 1927, p. 126.

6th March, 1930, p. 484.