**LOANS TO PRODUCERS ACT AMENDMENT BILL 1988**

**Legislative Assembly, 24 August 1988, pages 500-1**

Second reading

**The Hon. J.C . BANNON (Premier and Treasurer)** obtained leave and introduced a Bill for an Act to amend the Loans to Producers Act 1927. Read a first time.

The Hon. J.C. BANNON: I move: That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in Hansard without my reading it. Leave granted.

Explanation of Bill

The purpose of this Bill is to amend the Loans to Producers Act 1927.

The Loans to Producers Act authorises the Government to make loans to cooperative societies and landholders with the object of encouraging rural production and to persons and associations for purposes associated with fishing. The Act is administered by the State Bank as agent for the Government.

Regulations have been made under the Act prescribing purposes for which loans may be made, the form of applications and the particulars required to be supplied with applications. These regulations have been reviewed under the Government’s deregulation program.

The State Bank has advised that lending under the Act is still very active. However, apart from the requirement to prescribe the purposes for which loans may be made, which is a matter for Government determination, the remaining matters covered by the regulations are of an administrative nature and could be left to the bank’s discretion.

The bank is fully supportive of the proposal to allow discretion in administrative matters. This would give the bank greater flexibility in administering the Act thereby enhancing customer service.

The amendments to the Act contained in this Bill are to remove those provisions requiring various matters to be prescribed by regulation.

Clause 1 is formal.

Clause 2 amends section 5 of the principal Act which provides for loans to producers. The amendment removes the need to prescribe by regulation the security on which loans are to be granted and gives the bank a discretion to choose such security as it thinks fit.

Clause 3 repeals section 6 of the principal Act and substitutes a new provision. At present this section requires an application to be made in the form prescribed by the regulations, to contain such particulars as are prescribed and to be supported by such evidence (if any) as is prescribed or as the bank requires. The new section provides for an application to be made in a form approved by the bank and to contain such information and be supported by such evidence (if any) as the bank requires.

Clause 4 amends section 7 of the principal Act which deals with loans by instalments.

Clause 5 amends sections 8 and 8a of the principal Act and substitutes a new provision. At present section 8 requires a loan to be secured by way of mortgage, lien or a form of security prescribed by regulation. The new section requires a loan to be secured by mortgage, lien, bill of sale or such other form of security as the bank thinks fit.

Clause 6 repeals section 14 of the principal Act and substitutes a new provision. This is the regulation-making power.

Mr GUNN secured the adjournment of the debate.