**IRRIGATION ON PRIVATE PROPERTY ACT AMENDMENT BILL. 1949**

**House of Assembly, 23 August 1949, pages 383-4**

Second reading

**The Hon. C. S. HINCKS (Yorke Peninsula —Minister of Irrigation)—**The Irrigation on Private Property Act, 1939, provides for the proclamation of private irrigation areas to include reclaimed land adjacent to the River Murray. The areas are managed by boards of management consisting of the owners of reclaimed land in the area and the board is given power to take steps necessary for the drainage of the area and the provision and maintenance of embankments. The board’s revenue is derived from rates imposed upon reclaimed land within the area.

The purpose of the Act is to enable owners of reclaimed land near the River Murray in any area to bring about the constitution of a statutory body which will have the powers necessary to protect the land from inundation by the provision of embankments and other works. Among other powers, a board is given authority to borrow money on debentures issued by the board on the security of its rates. Recently, a board raised a loan on debentures and it then became apparent that the existing provisions of the Act do not make adequate provision in this regard so as to constitute a proper security for a lending institution. The purpose of this Bill is to remedy these defects.

Section 39 of the Act authorizes a board to declare and levy rates but, as now enacted, there is no obligation upon the board to declare any rate. Obviously, if a board borrows money on the security of its rates, there should be an obligation to declare such rates as are necessary to service the loan. It is accordingly provided by clause 2 that the board is to be under such a duty. Somewhat similar provision is included in the Local Government Act. If a board defaults in payment of a loan, section 48 now provides that the Supreme Court may appoint a receiver who may, on behalf of the debenture holders, collect any rates necessary to make good the default of the board. This provision is also similar to legislation contained in the Local Government Act. It is provided by clause 3 that, in the event of a receiver being appointed and in the event of the board failing to any rate which, under clause 2, it is required to do so, the Supreme Court may order the declaration of the necessary rate and such an order will have the same effect as a rate declared by the board.

Clause 4 is also similar to the provision of the Local Government Act and provides that if debentures are issued to secure a loan, the holders of those debentures will take priority over the holders of debentures issues to secure a subsequent loan. I move the second reading

The Hon. R.S. RICHARDS secured the adjournment of the debate.