**RENMARK IRRIGATION TRUST ACT AMENDMENT BILL 1959**

**House of Assembly, 28 October 1959. Pages 1290-5**

Second reading

**The Hon. C. S. HINCKS (Minister of Lauds)** moved—

That the Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole for the purpose of considering the following resolution:—That it is desirable to introduce a Bill for an Act to give effect to certain arrangements between the Government of the State and the Renmark Irrigation Trust, to provide for the grant of certain moneys and loans to the Renmark Irrigation Trust, and to amend the Renmark Irrigation Trust Act, 1936-1958, and for other purposes. Motion carried.

Resolution agreed to in Committee anil adopted by the House. Bill introduced and read a first time.

The Hon. C. S. HINCKS—I move—

*That this Bill be now read a second time.* The object of this Bill is to give effect to arrangements which have been concluded between the Government and the Renmark Irrigation Trust. These arrangements may be shortly described. The Government has agreed to assist the trust by way of a grant of £50,000 a year and a loan of £25,000 a year for the next 10 years. The trust, for its part, is to provide out of its own resources £25,000 per annum for the same period. Under these proposals there would be available to the trust a total sum of £1,000,000 for that period which is to be used by the trust for the purpose of undertaking a comprehensive drainage scheme for the district, the general improvement of the district and the rehabilitation of its irrigation system. At the same time the trust has agreed to relinquish its local governing functions, but will continue to operate its electricity undertaking within the districts now supplied by it.

The Bill accordingly provides by clause 17 for the necessary financial arrangements. That clause repeals the existing section 123 of the Act which, since the loans therein referred to have been repaid, has become a dead letter and substitutes a new section. This section appropriates a total sum of £750,000 to be paid by the Treasurer into a trust account by annual payments of £75,000. Subsection (2) of the new section will empower the Treasurer to pay to the trust out of the trust account such amounts as are required by it by way of grant or loan. The total sum to be granted is not to exceed £500,000 and the total to be advanced is not to exceed £250,000. The trust is required by subsection (3) of the proposed new section to set aside £25,000 out of its own resources or to make arrangements for such setting aside to the Treasurer’s satisfaction. Such sums set aside by the trust, together with amounts received from the Treasurer, are to be paid into a separate account and expended only for the purposes mentioned in subsection (5) of the proposed new section, namely, the undertaking of a comprehensive drainage scheme and the rehabilitation of the irrigation works, subject to the approval of the Minister of Lands.

Subsection (7) of the proposed new section provides that the trust will repay the amounts advanced with interest at 5 per cent per annum to be calculated from the end of the period of 10 years (or if the works should be: completed earlier, then from approximately that date) by equal annual payments. Subsection (8) of the proposed new section will provide that the balance of the loan shall be a first charge on all the property of the trust but an equal first charge is given to the Bank of New South Wales, to a limit not to exceed £75,000, except with the Treasurer’s express approval. The reason for this is that the trust has a standing arrangement with the Bank of New South Wales for an overdraft, the amount of which varies from time to time and which is necessary to enable the trust to function pending collection of its rates from time to time.

The next part of the Bill to which I refer covers clauses 4, 14, 15, 18 and 19. These clauses relate to the continuance of the trust’s electrical supply undertaking. Clauses 14, 18 and 19 are consequential but clause 15, which repeals the existing sections 115 to 116 (which are redundant) inserts into the principal Act the whole of the existing provisions of the Local Government Act relating to electricity undertakings with the exception of one or two sections that would not be applicable to the Irrigation Trust. The new section 115 will empower the trust to establish and maintain electric supply works and supply electricity within the district of the trust and other parts of the State outside the district as proclaimed by the Governor. It is contemplated that the districts of Chaffey and Cooltong, which the trust is at present supplying, should be proclaimed. The new section 116 will give the Irrigation Trust the exclusive right to supply electricity within its own and proclaimed districts.

The remaining new sections have been taken from the Local Government Act and adapted to the conditions of the trust. It is considered desirable that all of these sections should be in the principal Act in view of the proposal that the trust shall, on a day to be proclaimed, cease to exercise local government functions which will, of course, mean that it will be unable to rely upon the Local Government Act in respect of its electricity undertaking. The next provision of the Bill to which I refer is clause 10. This repeals section 72 of the principal Act which is the section that gives to the trust the powers of a district council. Consequential amendments are contained in clauses 6 and 8.

The remaining clauses concern, in the main, the powers and functions of the trust in relation to drainage. Section 115 of the principal Act having been removed, clauses 5, 7, 11, 13 and 20 cover power to construct drains and drainage works. Clauses 9, 12 and 16 relate to financial matters. Clause 9 will extend the power of the trust to expend moneys derived from the trust’s general revenue and will limit power to expend money to expenditure for the general benefit of the district. Clause 12 will empower the maximum of the rates which may be declared by the trust to be fixed by the Minister of Lands from time to time. This is designed to avoid the necessity for amendments to the Act from time to time.

Clause 16 extends the borrowing power of the trust to the raising of loans on the security of other revenue besides rates. Lastly, I will mention that those clauses which remove the local governing powers of the trust and: effect consequential amendments will come into operation only on a date to be fixed by proclamation. It will be appreciated that there will be a number of matters of detail to be resolved before the district of the trust can be placed within another local governing area and it is contemplated that action to this end should take place sometime early next year.

Mr. O’HALLORAN (Leader of the Opposition)—I do not intend to seek the adjournment of this debate because I understand that it is necessary that the Bill should be passed with expedition. I subscribe to the general principles proclaimed in the Bill. Some time ago, together with other members, I visited the Renmark district at the invitation of the trust, and we were also conducted over irrigation areas along the River Murray in New South Wales and Victoria that had problems, similar to those at Renmark, that had been solved by the irrigation authorities in those two States. I then formed the opinion that assistance should be given to the Renmark Irrigation Trust to enable a comprehensive drainage scheme to be implemented that would deal with the seepage problem in certain parts of the trust’s area, and which, of course, will undoubtedly extend if not dealt with. That, I think, is one of the main reasons why we should pass this Bill with as much expedition as possible. After all, the assistance proposed to be given by this Bill to the trust to enable a comprehensive drainage scheme to be established and other improvements to be made is on all fours with assistance provided in every other irrigation area on the River Murray in South Australia. Probably we will at least get the work done as cheaply as if we adopted the only other alternative that I can see, which is to take over the whole operations of the trust.

As members know, the trust has been in existence for many years and, as far as I can remember, it has been efficiently managed, well conducted, and has given satisfaction to the great body of settlers who are dependent on its control for the maintenance of their industry. On the principle of the financial assistance proposed to be given under this Bill there can be no argument. The second major point, of course, is the removal of the local government powers now exercised by the trust over certain parts of the Renmark area. I think that is all to the good. I have recollections of this House from time to time having to amend the Renmark Irrigation Trust Act to provide for changing circumstances associated with the trust’s local govern­ing powers. Now, after the necessary machinery has been created, we shall have a local governing authority that will have charge of the whole Renmark Irrigation area. So the functions of local government will be determined by a properly constituted authority under our Local Government Act, and the functions of the Renmark Irrigation Trust regarding irrigation, drainage, etc., will be carried out by the trust in accordance with the provisions of this Bill. A point of major importance is that this, being a hybrid Bill, will have to be referred to a Select Committee of the House. Therefore, we can be sure that if any matters require further attention they will be examined by the Select Committee and mentioned in its report. For those reasons I support the second reading.

Mr. KING (Chaffey)—I support the Bill and also pay a tribute to the Government for acting so quickly in taking steps to relieve the position which has developed in the Renmark district and which, if allowed to continue unchecked, would result in much of that district going out of production through seepage trouble. Seepage has been a problem common to all irrigation areas that have been started along the River Murray. For one reason or another it has taken a little longer to show up in the Renmark district than in some other districts. In this case the onset of the seepage problem and salt development has been hastened by the 1956 floods, which had the effect of forcing the salt content of the soil back underneath the sediment, and then it rose and added to what was already a threat to the continuance of that district as a fruitgrowing area.

Much preparatory work was done and some deputations went to the Minister. The Renmark Irrigation Trust was set up by Parliament in 1893 to administer the affairs of that area, the whole of which is held freehold, whereas the Government-controlled areas are all held leasehold. Over a period of years the Renmark Irrigation Trust has done a very good job distributing the water to its ratepayers and also attempting to solve the seepage problem. Its first attempt in that direction was by way of deep drains, through which it was hoped the water would seep and then be carried away to where it would do no damage. They were not as effective as they might have been in certain circumstances and for short distances, and it came to be realized eventually that the Renmark settlement would have to attempt to meet the situation by methods that had proved successful elsewhere.

According to the local paper, it is considered that, in the older part of the settlement of Renmark, already production has fallen away by about 25 per cent compared with production in the neighbouring irrigation areas where drainage has been successfully installed and operated for at least 10 years— as, for example, in Berri. The Renmark Irrigation Trust approached the Government for assistance in this matter as soon as it was possible for something to be done immediately following the floods. The net result of the representation of the trust and the sympathetic hearing of the Minister was that the Treasurer made this offer to help the trust in its problem, it being realized that the value of money had depreciated considerably since similar schemes had been inaugurated in Government areas. Consequently, it was necessary to go a little further in the case of the Renmark area than would have been the ease some years earlier.

Considerable assistance was given by the Engineering and Water Supply Department and the officers of the Minister of Lands in preparing contour surveys setting out the work unnecessary for the preparation of an overall drainage plan. Finally, they offered assistance in the actual designing of the drains required. When that had been done it was possible to see somewhat more clearly the pattern that the drainage system for Renmark would have to follow. The proposal before us is nothing to do with the drainage of Chaffey and Cooltong. Chaffey was a First World War Settlement in vine-growing and Cooltong was a Second World War Settlement

Mr. O’Halloran—Both Government settlements?

Mr. KING—Yes. Chaffey is adjacent to the Renmark irrigation area. I should not be surprised if the drainage of that area took place at the same time as that of the Renmark Trust area so that common facilities in certain aspects could be used. But the Cooltong drains would be more or less on their own. The question then arose how it was to be done. A plan having been arrived at, from experience gained it was soon apparent that a big, comprehensive scheme would be needed for Renmark. It also became obvious that the catchment or disposal area drainage water for Renmark would have to flow through Salt Creek. Over the years the Renmark Irrigation Trust had brought the water from Ral Ral Creek, a distance of about three or four miles, to its No. 3 pumping station, from which it is in the main reticulated over the whole area. Salt Creek appears to be practically the only area in which the drainage water, when it is finally tapped, brought to the surface and collected, will have to be collected, and through it runs this channel to supply the district. There is a danger of salt from Salt Creek getting into that channel.

In the proposal it is recognized that new pumping facilities will have to be provided, and the £1,000,000 that it is intended to spend over the next 10 years would include the cost of replacing or rehabilitating the whole pumping system for the district. Those points have not yet been fully discussed but it is hoped that the provision made under this Bill will be ample to meet the situation. Consequently, when we arrived at the information that we could get to put the proposition before the Government, it was not very long before the Treasurer was able to announce the form of assistance, and that assistance is outlined in the arrangement in the Bill. When that arrangement was first discussed, it was announced in the precincts of this House before representatives of the Renmark irrigation area and also the other local governing bodies in the district, such as the Renmark corporation, Government officers also being present.

The Treasurer made it plain in that discus­sion that, in making the offer available, it would be necessary for the Renmark Irrigation Trust to hand over the local governing powers that had been referred to it under a special section of its own Act; and also in the later discussion it was made clear that the trust would be permitted to carry on the reticulation of electric power in the districts which at that time it served, which included the areas of Cooltong and Chaffey. The history of the electric supply in that area goes back to the days when, firstly, the pumps at Renmark were electrified. The idea was to have a generating station for the various pumping points, but later on, as spray irrigation developed and as the need for pumping for internal drains increased, the trust’s power lines had to be strengthened accordingly to expend it.

It was found useful to the trust, at the time this was developing, to provide a service for domestic and industrial consumers in the area it served. That is the genesis of the electric power situation in the Renmark Irrigation Trust area. It is not on all fours with other electric supply systems that are often found associated with local government bodies. Consequently, it was considered wise under the circumstances, particularly as the trust is its own biggest consumer and its ratepayers are the next biggest consumers, for the trust to carry on that electricity function. The other point is that it was believed that, by carrying on for at least some considerable time, the trust would be able to get a better distribution of its overhead and better use of its existing working plant by providing irrigation and power supplies at the same time.

The trust called a meeting of the people concerned at Renmark to discuss the implications of the proposals. When those proposals were first announced, the local newspaper, the Murray *Pioneer,* canvassed responsible opinion in the district to find out the reaction, and opinion unanimously favoured the proposals. In fact, it was actually a commendation of the Government for the step it had taken and a commendation of the work of the trust itself for the way in which it had conducted the approach to the Government. Later, the trust in its wisdom called a meeting of all rate payers, which I was privileged to attend. It was a. big meeting, attended by nearly 400 ratepayers, who were actually the only people entitled to attend. The proposals were discussed at that meeting, and the ratepayers were very happy to accept the situation, there being not one dissenting voice.

At one stage it was suggested that perhaps the Government should take over the settlement, but that proposal was, in the local term, howled down by the voices. The ratepayers wished to carry on as they had before in controlling and conducting their own affairs, and I think that is a very good tiling. As I mentioned recently when speaking of the Adelaide technical high school, it is always useful to have a measuring stick in these things in order to gauge the success of an enterprise. After that meeting the decision was conveyed to the Premier and the Minister of Lands, and the trust itself wrote to the same people thanking them for the offer and commending them for what had been done. The people principally concerned in this matter are heartily in accord with it.

When the trust said it would vacate the field of local government it invited the ratepayers, all the owners and occupiers who would be included under local government in the area vacated, and also people in the Cooltong and Chaffey areas to attend a meeting and appoint a committee to look into the problems of local government and to recommend the form local government should take in that area. That is an open question. It could result in a Greater Renmark, in two local governing bodies, or in other variations. That committee’s job is to go thoroughly into the question. It has had several meetings, and is gaining much information that it will present to the ratepayers. It will then be for the ratepayers mostly concerned to decide the future of local government in that area.

Some people feel there should be a Greater Renmark, and that view has been widely canvassed and thoroughly examined by the committee to which I referred. It is expected that that committee will complete its deliberations very shortly, and I believe another meeting of ratepayers will be called early in November to discuss the findings of the committee, out of which we hope will come a recommendation that will guide the Government in the future steps to be taken. Until such time as arrangements are made for the continuance of local government facilities in the areas vacated, the Renmark Irrigation Trust will continue to use its powers, more or less as a caretaker, in the area. It will not affect Cooltong or Chaffey.

The provision for that, together with the other part of the Act relating to the electricity franchise, will be subject to proclamation, and will have to be keyed in with the decisions made regarding local government. In the meantime it is very necessary for financial reasons, and to enable work to proceed without delay, that this Bill should be dealt with as quickly as possible. I support the Bill.

Mr. LAWN (Adelaide)—I support the Bill. I was interested in the Minister’s explanation of the clauses, and I draw attention to his remarks regarding clause 17. He said that subsection (7) referred to the repayment of the loans advanced, and went on to say:—

Subsection (8) of the proposed new section will provide that the balance of the loan shall be a first charge on all the property of the trust but an equal first charge is given to the Bank of New South Wales, to a limit not to exceed £75,000 except with the Treasurer’s express approval. The reason for this is that the trust has a standing arrangement with the Bank of New South Wales for an overdraft the amount of which varies from time to time and which is necessary to enable the trust to function pending calculation of its rates from time to time.

I am interested to know why an undertaking such as the Renmark Irrigation Trust, financed by the Government and the settlers in the area, should ignore our own State Bank, which is the implication in the Minister’s explanation. It does its banking business with the Bank of New South Wales, and it is found necessary to provide by legislation that this bank should have an equal right with the State in the event of some distribution of the trust’s assets. I am concerned to think that the Irrigation Trust is banking with the Bank of New South Wales when the State Bank—our own bank—is functioning in the area. I think the Government should at all times encourage banking with our own State Bank.

The trust was set up by, and is functioning under, an Act of Parliament, and receives an annual grant from the Parliament, yet it does its banking business with a private bank which is competing with our own State Bank. There may be some explanation for this, but I cannot see why it should bank with a private bank when the State Bank is operating in the area. I do not know whether the Minister can explain that point at this stage, but the Bill will be referred to a Select Committee which may investigate this.

Bill read a second time and referred to a Select Committee consisting of the Minister of Lands, and Messrs. Bywaters, King, Laucke and McKee; the Committee to have power to send for persons, papers and records and to adjourn from place to place and to report on November 12, 1959.