**VERMIN ACT AMENDMENT BILL 1935**

**House of Assembly, 28 November 1935, pages 1800-5**

Second reading

**The Hon. M. McINTOSH (Albert—Commissioner of Crown Lands)** I referred to the proposal to introduce this Bill when moving the second reading of the Crown Lads Amendment Bill. The main provisions of the Bill are designed for the purpose of giving relief to vermin boards and district councils and occupiers of land who have, in consequence of the adverse conditions which have prevailed in the agricultural and pastoral industries, fallen into arrear in respect of loans under the Vermin Act and the Loans for Fencing and Water Piping Act. One of the most important provisions will give power to the Treasurer to grant to a vermin board, district council, or lessee, a suspension from payment of instalments of loans under either of the Acts mentioned for such period or periods not exceeding three years, on the recommendation of the Board of Management of the State Bank. A recommendation from the Pastoral Board will also be required in cases of vermin boards and pastoral lessees of land outside district council or vermin district boundaries. For the period of the suspension no instalments of principal or interest will be required to be paid under the loan and the suspension, if and when the granted, would therefore have the effect of to writing off the interest which accrued during the period of suspension, which would be a very definite concession to the district councils, vermin boards, and lessees concerned. A period equal in length to the period of suspension will be added to the term of the loan. That is to say, if three years were granted every instalment payable in the future would be put forward three years.

The Bill also provides for the capitalisation of arrears and the extension of the terms of. loans under the Acts mentioned up to a period not exceeding 42 years, and also a remission of penalty interest retrospectively. Provision is made that where a district council or vermin board obtains any of the benefits provided for in the Bill corresponding benefits shall be passed on to the occupiers of the land in respect of which the loans have been granted. The proposed concessions will benefit a considerable section of our primary producers, and it is hoped that the powers given in this Bill and in the Bills to amend the Crown Lands Act and the Pastoral Act, already introduced, combined with existing legislation, will help considerably in assisting our settlers to recover financial stability. The powers given by the new legislation will, of course, be supplementary to the Primary Producers Debts Act, under which the Farmers Assistance Board have very full powers in regard to the adjustment of settlers’ liabilities, including Crown debts.

Another important provision in the Bill, which will be welcomed by district councils, is designed to overcome the difficulty which has arisen in respect of loans over land, the lease of which has been cancelled. Under the present Acts, where a loan has been granted on land held under a Crown lease or agreement, and the lease or agreement has been cancelled, the liability of the district council to repay the loan to the State Bank still continues, although during the period between the date of cancella­tion and the re-allotment of the land there is no occupier from whom the council can collect the instalments which consequently accumulate. When re-gazetting the land, the Department of Lands inserts a provision in the conditions to the effect that the incoming tenant will be required to take over the liability for the loans granted, mentioning the name of the council concerned, and also that the applicant can ascertain the amount of the loan on application to the clerk of the council.

The necessity for payment of the accumulated arrears during the period that the land has been unoccupied tends to militate against the re-allotment of the land, particularly in cases where the value of the fencing has deteriorated, and the new occupier has to pay an amount which is in excess of the value of the fencing on the holding. To overcome this difficulty the Bill provides that when a lease of land on which a loan under either of the Acts mentioned has been granted is cancelled the liability to repay the loan will be suspended during the time the land remains unallotted. Further provision is made giving the State Bank power, on the recommendation of the Land Board, to fix the amount which shall be paid by the new occupier of the cancelled holding, including any arrears of instalments payable before the cancellation, at the Land Board's value of the fence at the time the land is again leased or allotted under agreement to purchase, and also to fix the amount which shall be paid by the district

council, including any arrears or instalments payable before cancellation, at the amount at which the Land Board valued the fence, or at such higher amount as the Bank thinks fit. The amount so fixed will be repayable by such equal annual instalments spread over the remainder of the term of the loan as are fixed by the bank, and the difference between the amount fixed and the debit against the district council will be reduced by the amount representing the difference between the amount fixed by the bank and the debit standing against the council in respect of the loan in question. This provision will overcome matters which cause considerable trouble to district councils and vermin boards, and also facilitate the re-allotment of land in cancelled holdings, which have in some eases been left unoccupied for a considerable time because no one was prepared to take over the liability for a fence which had depreciated to a value below the amount of the loan in respect of the fence.

Other clauses contain important amendments which will greatly assist in the administration of the Acts. Included in the Bill are amendments to both the Vermin Act, 1931, and the Loans for Fencing and Water Piping Act, 1930. In some cases the measure makes similar amendments to both Acts, so that, for the purpose of convenience in Parliamentary discussion, it is deemed advisable to include the amendments to these Acts in the same Bill. The clauses are of a disconnected nature and therefore must be considered seriatim.

Part II. of the Vermin Act requires owners and occupiers of land to destroy vermin upon their land and upon the half width of all roads adjoining the land. When, however, a boundary of a district corresponds with the boundary of a road, doubt as to an occupier’s liability is caused by reason of the fact that the land is situated in one district and the road is situated in another. A similar position arises under the Local Government Act where the liabilities are placed upon owners of land for the construction of roadways and footpaths, and legislation similar to clause 3 was enacted to meet the position. Clause 3, therefore, provides that in a case such as mentioned the owner or occupier of the land must destroy the vermin on the half width of the adjoining road, although the road and his land are in different districts, and for that purpose the district council or vermin board within whose district the road is situated will exercise contol in the matter.

Under section 48 of the Vermin Act it is provided that where a new vermin district is formed, the boundary of which consists of portion of a vermin fence or dog-proof fence of a previously existing district, the board of the new district is to pay to the board of the old district one-half of the then value of the fence. The Vermin Districts Association has asked that the Act be altered in this regard so that it will not be mandatory for a board to make this charge. Under the existing law there is no power for the board of the old district to waive payment of this amount although the circumstances may be such that, in order to encourage the formation of a new district, the board of the old district does not desire payment. Clause 4, therefore, provides that the board of the old district may waive its claim to this payment.

Section 56 deals with the case where a vermin fenced district is abolished. In such an event any fence erected or purchased by the vermin board which is on the land of any lessee becomes the property of the lessee upon payment of the then value of the fence, less certain rebates provided by the section. The money so paid is then divided among the ratepayers of the district in the proportions laid down by the section. The Loxton Vermin Board has asked that when a district is abolished the ratepayers might be allowed to waive their right to a share in the proceeds from the sale of the fence. This is accordingly provided by clause 5 which enacts that if all the ratepayers to whom payment is required to be made under section 56 waive their rights, payment shall not be required from the lessees of the land on which the fences are situated. If all the ratepayers agree to give up their rights in this manner there can be obviously no objection to deleting the necessity for payment by the lessees.

Clause 7 enables a vermin board to expend its moneys in contributing towards the maintenance of any vermin fence or dog-proof fence situated in any other vermin district. This suggestion emanates from the Streaky Bay Vermin Board. It occurs that when new vermin districts are formed in the outer country, the duties and obligations of the vermin districts in the inner country are considerably reduced by reason of the vermin fences constructed in the new districts. These fences, of course, have the effect of protecting the land in the inside country. It is, therefore, suggested that in such circumstances the vermin boards of the inside country may be prepared to assist in the maintenance of the outside fences from which it derives this benefit. The clause will give these inside vermin boards the power to contribute towards the cost of maintenance incurred by the outside boards. Under the existing Act a vermin board has no power to raise any sums by means of overdraft. The financial year of vermin boards commences on July 1, and some vermin boards find difficulty in financing their operations pending the collection of the rates. Clause 8 therefore provides that a vermin board may obtain advances from any bank by way of overdraft. The limit fixed which, may be borrowed in this manner is one-quarter of the rates received during the previous financial year. This provision follows the principle of the Local Government Act which authorises a municipal or district council to operate on overdraft pending the collection of its rates.

The Local Government Act provides that the council may authorise the construction of ramps through other than vermin fences, but obviously no such ramp or by-path should be constructed in a vermin fence unless it is quite certain that it will prevent the ingress of vermin. Clause 9 accordingly provides that in the first place the power to permit the construction of any such ramp or by-path in a vermin fence shall be entrusted to the Commissioner of Crown Lands only, and that in the second place the Pastoral Board must approve the ramp by particular approval or general approval of the type of ramp. With the increasing use of motors in pastoral country it has been found that many gates in vermin fences across roads are left unclosed, although leaving such a gate open constitutes an offence. If a ramp which is effective can be devised, it is obvious that by eliminating the necessity for opening and closing gates better protection against the ingress of vermin will be provided.

Under section 178 of the Vermin Act it is provided that when a council or vermin board has received a loan for vermin fencing and fails to make the necessary payment within the proper time, it is liable for the payment of penalty interest at the rate of 1 per cent, in excess of the interest otherwise payable. In recent years some councils and vermin boards have been hard pressed to make these payments. Clause 10 therefore provides that the bank may remit the whole or any part of this penalty interest. Section 200 of the Vermin Act deals with advances made by the bank to lessees of land outside districts, and in this case also it is provided that where instalments are in arrear they bear a penalty rate of interest of 1 per cent, in excess of the fixed rate. The same consideration applies in this case as under the previous clause, and clause 11 therefore provides that the bank may remit the whole or any portion of any such penalty interest.

Clause 12 and the following clauses are the most important clauses in the Bill and are intended to provide some measure of relief to councils, vermin boards, and in their turn, landholders, from the burdens imposed upon them under past loans for fences, etc. Owing to the financial conditions obtaining in the agricultural and pastoral community during the past few years it has been found most burdensome in many cases for councils and occupiers to meet their commitments under these loans. Clause 12 is similar to legislation passed both in 1915 and 1930 to provide for extension of the period during which loans are to be paid. Under the Vermin Act, loans for fencing are required to be repaid in twenty equal annual instalments. Loans for fencing under the Loans for Fencing and Water Piping Act are repayable in an equal time and loans for water piping under that Act are repayable in 15 years.

The clause provides that the bank may, on application by a vermin board or a district council within two years after the passing of this Bill in respect of any loan granted before the passing of the Bill, extend the period for repayment of the loan for such time as the bank thinks fit, but so that the total time for repayment of the loan shall not exceed forty- two years from the date of the granting.. The clause also deals with loans to lessees of land outside district council districts and vermin- fenced districts. Loans for vermin fencing in respect of land within districts are made by the bank to a vermin board or council and the board or council in turn makes the advance to individual occupiers. In the case of land outside districts the lessee may obtain a loan direct from the State Bank. The clause therefore provides that such a lessee may obtain an extension of the term of his loan in a similar manner as a district council or vermin board. If there are any arrears existing at the time the loan is extended the bank may require payment of the arrears or any part thereof or may capitalise the whole or any part of the arrears. This provision will, of course, be very effective in minimising the burdens imposed upon councils and landholders who have fallen into arrears with their instalments. The clause provides that where an extension is granted to a district council or a vermin board the obligations of landholders to the board or council are to be altered accordingly and the landholders will be granted a corresponding extension of the term within which their advances from the district council or vermin board are to be repaid.

Clause 13 is also similar in principle to legislation passed in 1915 and 1930, and provides that the Treasurer may suspend the operation of the principal Act in regard to payment of instalments under a loan during a period not greater than three years. Any vermin board or district council, or lessee as mentioned in clause 12 may make an application for suspension under this clause, In all cases the application must be recommended by the State Bank, and in the case of vermin boards and lessees the application must also be recommended by the Pastoral Board. The operation of the clause is restricted to loans made before the passing of the Bill. If an application is granted, the Treasurer, as before mentioned, may for a period of three years provide that no instalments of principal or interest will be required to be paid under the loan so that during this period no interest will be payable upon the loan. The period may be made retrospective either for the whole of the three years or any part thereof, so that, in effect, any arrears accrued during any such retrospective period of suspension will be disregarded. This provision will provide that instead of instalments representing the arrears being payable at the time stipulated on the .making of the loan, the obligation to repay will be postponed, as under the clause a period equal in length to the period of suspension will be added to the loan. For instance, if an instalment was payable on February 1, 1935, and a period of suspension is granted for three years, that instalment will become payable on February 1, 1938, so that every instalment payable in the future will be put forward three years. This clause may be exercised in regard to any district council, vermin board or lessee of land outside districts.

Clause 14 is a consequential amendment to section 224 of the Vermin Act. The effect of this provision is to enact that where a district council or vermin board obtains any under clause 13 a corresponding benefit is to be given to the occupiers of land who are liable to repay loans for fencing to the vermin board or to the council. Clause 15 deals with a matter that has caused considerable trouble to district councils and vermin boards. Loans are made by the State Bank to district councils and vermin boards, which in turn make advances to individual occupiers of land. Where, however, the occupier holds land under Crown lease or agreement, and that lease or agreement is determined, the liability of the council or board to repay the loan to the Bank still continues, but until the land is re-allotted there is no occupier from which the board in its turn can recover instalments. The clause therefore provides in such a case the liability to repay the loan will be suspended during the time the land remains unallotted. When the land is again allotted the liability will be revived on the part of both the council or board and occupier but the period of the loan will be extended so that if, for instance, the land remain un-allotted for two years an extra period of two years will be added to the time within which the loan is to be repaid.

The clause also applies to losses made in respect of land outside districts. Subclause (5) is important and provides machinery to deal with cases where the asset representing the loan has depreciated. It sometimes happens that a Crown lease or agreement reverts to the Crown, but on re-allotment, it is obvious that the land will not be taken up unless the liabilities for fencing are reduced. Subclause. (5) provides that the Bank may, on the recommendation of the Land Board, reduce the )liability of the occupier (including arrears to the then value of the fence and either a corresponding or a lesser reduction may be made in favour of a council or vermin board concerned in the loan. In some eases it may be that arrears have accumulated because of the inactivity of the council or board and is such a case a direction is given to require payment of the whole or any part of the arrears from the council or board although the occupier’s liability may be discharged. The powers given by the subclause may be exercised or not at discretion, and may, in effect, be given retrospective effect.

The remaining clauses, except clause 16 amend the Loans for Fencing and Water Piping Act, and are similar in principle to the preceding clauses dealing with amendments of the Vermin Act . Clause 16 makes a minor drafting amendment to section 19 of the Loans for Fencing and Water Piping Act, which does not alter the policy of the clause in any way. Clause 17 is similar in principle to clauses 10 and 11 and authorises the remission of penalty interest. Clause 18 is similar to clause 12 and enables the bank to extend the time for repayment of loans for fencing and water piping-

Clause 19 is similar to clause 13 and enables the Treasurer to grant a period of suspension of loans for fencing and water piping.

Clause 20 again is similar to clause 14 and provides that any concessions given under clause 18 to district councils are to be passed on to the occupiers of land in respect of which loans for fencing and water piping have been paid. Clause 21 is similar to clause 15 and deals with a case where a loan for fencing and water piping is made in respect of land comprised in a Crown lease or agreement and the lease or agreement is cancelled or otherwise determined.

Those are the main features of the Bill, and with the two other Bills I have introduced the effect will be to amend five Acts, all of which have the same aim—to ameliorate the conditions of landholders. No hard and fast rule has been adopted in the measures. Every case must be considered by a competent tribunal, and will be heard entirely on its merits. I feel sure that members will have sufficient confidence in the State Bank Board and the Lands Department to give them these powers. The only reason for the late introduction of the Bills is that the Parliamentary Draftsman has been exceptionally busy. The Bills were indicated in the Governor’s Speech. They are non- party and non-partisan, and I am prepared to consider any amendments which members may consider necessary. I move the second reading.

Mr. BEERWORTH secured the adjournment of the debate.