**IRRIGATION ACT AMENDMENT BILL1933**

**Legislative Assembly, 9 August 1933, page557**

Second reading

**The Hon. M. McINTOSH (Albert—Minister of Irrigation**)—This Bill is supplementary to the other measure. It is a short one to give effect to the same ideals as the Government has tried to incorporate in the Crown Lands Bill and to make available the same facilities as thereby provided. Under section 75 of the Irrigation Act, 1930, it is provided, inter alia, that if any rate under the Act is not paid within one month of the due date, interest at a fixed rate shall be payable on the overdue rates. There is no power to remit payment of any such penalty interest, and this Bill accordingly gives power to the Minister, and in any case of hardship, to remit the whole or any part of such interest. The power given will apply to interest accrued before the passing of the Bill as well as future penalty interest. The amendment proposed by this Bill is similar in principle to that proposed by clause 4 of the Crown Lands Act Amendment Bill now before Parliament. I do not think it is necessary for me to elaborate these provisions. On reclaimed land settlers are having a very strenuous time. Their commitments were based on a far higher rate when prices, particularly for milk, were greater than obtain today. Through no fault of their own many settlers have become indebted to the Crown for a considerable amount, including water rates. They have not been able to pay and their burdens have been added to by virtue of a penalty on that charge. It is not proposed under this Bill to make the remission in all cases, or make it a hard and fast rule; but where burdens have been incurred through no -fault of the settler the House will agree that it is only fair in the present times that he should not be mulcted with this extra charge.

Mr. Rudall-—Do you not think there should be some limit to it?

The Hon. M. McINTOSH—I think it should be within the discretion of the Minister. The amounts have not been paid in many eases and the only effect is to make the position of the settler worse by the imposition of a penalty. It seems rather a, doubtful benefit to the State.

Mr. Rudall—What I meant was should there not be some limit to the operation of an Act like this?

The Hon. M. McINTOSH—We have less power, in most cases, in connection with bigger items . This is a point which was overlooked. The Government thought it was better to bring it into the general scheme in regard to certain payments.

The Hon. R. S. Richards—Is it not embodied in the recommendations of the Committee?

The Hon. M. McINTOSH—I do not know whether it is. So far as I know, it was the in­tention only of the Government, but if started in other directions, so much the better. The idea is not to impose penalty interest where the default has been through no fault of the settler. Every case will be taken on its merits. Settlers will have a moral incentive to go on at the present time, whereas if they see arrears accumulating, they will not feel inclined to do so and many may lose hope for the future. I move the second reading.

Mr. LACEY secured the adjournment of the debate.

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Adjourned debate on second reading.

(Continued from August 9. Pago 557.)

Mr. LACEY (Port Pirie—-Leader of the Opposition)—The precedent in this measure has been firmly established in this House during the Session. The first measure dealing with this subject was passed in 1930, and this Bill amends it. At present interest is charged after one month on outstanding irrigation rates but this measure will give the Minister power to remit such charges in cases of hardship . A similar principle was introduced in the Crown Lands Act Amendment Bill which we have just discussed. Undoubtedly if such a provision is to apply to Crown lands it should apply to irrigation rates. The Opposition has tacitly supported measures of this nature because of the special circumstances prevailing now and which have prevailed during the last few years. The retrospective clause is rather extraordinary and is something which does not apply very often. It will be of vital interest and assistance to those settlers who are called upon to pay penalty rates. We and the Government have been mindful of the distressing circumstances prevailing with regard to those who hold Crown Lands and have been called upon to pay penalty rates. Before long that same consideration should be applied to other sections of the community who are, because of force of circumstances, in just as perilous a position as the settlers concerned in this measure. One of the oldest Parliamentarians in the House charged me with having said that the Government was responsible for class legislation. I did not say that. What I did say and still say is that I hope the Government will complete the circle by giving relief to other sections as well. I shall not oppose the Bill.

Mr. MORPHETT (Murray)—I heartily support the measure and . thank the Minister of Irrigation for the sympathetic and energetic interest' he is taking in the welfare of settlers on the irrigation areas. There is no area in South Australia where so much of the tax­payers’ money has been invested and which has so many potentialities. It must be remembered that practically all these areas were settled in the rush of post-war days, and under the definite urge of public opinion. Under those extraordinary circumstances the costs of settlement were extremely high and impossible of returning reasonable interest. Parliament has already recognised this and has written off some millions of pounds of the capital cost. Despite that it is impossible for the settlers to meet full interest costs on the reduced capital charge because of the calamitous drop in the price of the produce. The ability of settlers to meet their interest charges on their arrears is greatly affected by the rentals which, so far as the lower river reclaimed areas are concerned, were largely based on expected yields of milk— realising at that time 8d. a gallon. Prices have fallen tremendously in recent years, and the average of one big supply on the Murray for the year ended June 30, 1930, was 10id. The following year it was 7fd., 5d. in 1932, and 4Jd. in 1933. It will be obvious to members that with milk at between 4d. and 5d. a gallon it is manifestly impossible for lessees to pay a rental fixed on the basis of 8d. a gallon. It is therefore inevitable that many arrears must have arisen beyond the ability of some settlers to meet them. There are many anomalies between the rentals, size of blocks, and irrigable capabilities of some, and watering expenses, which affect the settlers’ ability to prevent arrears. The Minister is making himself conversant with details. The Lewis Commission, after a full investigation in 1931, recommended that each settler’s position should be taken individually, and if the arrears were entirely due to existing economic conditions the Government should definitely be prepared to assist and protect them. The report defines such a settler as one who has the energy and ability to conduct his affairs in a business-like way, to be willing to herd-test, to rear his own heifers, conserve ensilage and hay, manure his land, keep fowls, and efficiently run his block. Where settlers are in arrears owing to careless or inefficient methods no good purpose can be served by continuing their tenancy. I am grateful to the Minister for his sympathetic attitude towards the struggling settlers, and I heartily support the measure.

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Mr. PLAYFORD (Murray)—I assure members that the position on the Murray is suffi­ciently grave to require the passage of a Bill of this description. The settlers there have been confronted with many disabilities, over which they have no control, and which are beyond them to meet. In addition to a flood, and low prices they have been confronted with a good deal of mismanagement and lack of understanding. I share Mr. Morphett’s views on the question and I appreciate the action being taken by the present Minister in trying to determine some solution of the difficulties. Many committees- have investigated the position on the River, and the report of everyone is to the effect that the- position is becoming worse . I am doubtful: whether the Bill is adequate to meet the position entirely. Every year the Department of Lands furnishes a report. It says that with milk at 5d. a gallon the total earnings would amount to a little over £50,000. Last year the price was 4jd., so returns were under that amount. The settlers actually paid the Government £25,303, or more than half of their total earnings, but notwithstanding that they went into arrears amounting to nearly £70,000. Their commitments annually on those areas are approximately £100,000. As the total earnings last year were under £50,000, members will appreciate that there is no possibility of any of the settlers not getting into arrears. The aggregate arrears to date for all the irrigation; areas amount to over £432,000. That figure does not include any penalty rates with respect to interest, or interest on rents in arrears. The- report set out by the Department of Lands is not a very satisfactory one. Reference has been made to this fact before. It is almost impossible to separate the swamp areas from the high lift areas. Consequently, the actual position of the swamps is hard to determine. In some cases the items are placed as swamp items, and in others they are merged with the high lift areas. The Auditor-General makes a very conclusive statement that this part of the department’s operations is not run on business-like lines . In his last annual report the Auditor-General, dealing with the Reserve for Depreciation Fund, said:—

The balance to the credit of this fund, as shown by the balance-sheet, was £103,050. Owing to unsound accounting methods which have been adopted by the department to record the replacement or scrapping of pumping plants, this figure does not represent the- correct state of the fund. As a result of incorrect entries, non-existent and non-operating plants still show in the books at cost.

The total amounts to £194,457. Members; will be well advised to support the measure. Although it is inadequate, and not sufficient to get the settlers out of their difficulties, it ia a step in the right direction.

Mr. THOMPSON (Port Adelaide)—In looking through the second reading speech of the Minister I notice that no mention is made of the amount of arrears. When, members are discussing a Bill of this nature it is necessary that they should have this information before them. I agree with the principle of the Bill, which will assist settlers in regard to penalty fates on overdue water rates. I realise the difficult time the men have been experiencing on the irrigation settlements through no fault of their own, and I take it that the only amount which will be considered will be the accrued arrears.

The Hon. M. McIntosh—The Bill provides for the remission of interest on accrued rates.

Mr. THOMPSON—That is so, but there is no retrospective effect in regard to arrears during the last year or so. I am pleased to notice that the Government is concerned with this matter, and is prepared to consider the people who have had penalty rates placed upon them; but I hope the Government will also take into consideration arrears in other directions. I am with the Leader of the Opposition in indicating that we are prepared to support the Government in granting this concession, but I hope that before the Bill goes through Committee the Minister will indicate to the House the amount of arrears on water rates and what he considers is the amount likely to be effected.

The Hon. M. MclNTOSH (Albert—Minister of Irrigation)—I thank members for their courtesy to the Government and I also tender my thanks for the manner in which the Opposition expedited the passage of a previous Bill, to which this is supplementary. It is interesting to note that in the Lands Department there are arrears totaling £1,867,271 in principal, interest, rent, and water rates. That takes up the whole of the arrears of every section of the activities of the department. With regard to rents and rates overdue, there is a total of approximately half a million pounds due. Actually the measure does not mean, so very much because in many instances the settlers are unable to pay penalty interest.

I have in mind those who have got into arrears through no fault of their own. It cannot be expected that the Government should assist those who have been careless or neglectful and have got into arrears in paying their rates when they could have avoided it. Where, through circumstances over which he has no control, a settler has got into arrears, the measure will apply automatically and he will be entitled to a remission of penalty interest on overdue water rates. We have already power to remit interest on his other charges. The total of the arrears, as has been indicated by Mr. Playford, is about £480,000 and probably the total arrears on irrigation areas at present is about £500,000. Just what proportion is for rates and what proportion for rent I have not the figures at the moment. I will not delay the measure further, but will be pleased to answer any questions which may be asked in. the Committee stage.