**STATUTES AMENDMENT (RURAL AND OTHER FINANCE) ACT 1986**

**Legislative Assembly, 7 August 1986, pages 188-9**

Second reading

**The Hon. J.C. BANNON (Premier and Treasurer)** obtained leave and introduced a Bill for an Act to amend the Advances to Settlers Act 1930, the Loans for Fencing and Water Piping Act 1938, and the Student Hostels (Advances) Act 1961. 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 Advances to Settlers Act 1930, the Loans for Fencing and Water Piping Act 1983 and the Student Hostel (Advances) Act 1961 were enacted to provide loans for special purposes to particular categories of borrowers. The State Bank administers the Acts as agent for the Government.

Prior to the merger of the State Bank with the Savings Bank, the Chairmen of the banks advised the Government that very little use had been made of the Acts in recent times. The pre-merger boards of the two banks recommended that the Government agree to a discontinuation of new lending under the Acts so that the new State Bank could avoid the necessity to establish special administrative systems to deal with those special loans.

The State Bank is represented by a wide network of branches throughout the State, and administers a lending policy aimed at encouraging development of the State’s rural and other resources. The bank will be able to provide adequate support from its own resources in the area covered by these Acts. Therefore it would be more appropriate to consider applications which might come within the ambit of the Acts as general banking propositions.

Similar conclusions were reached in relation to the Rural Financing Acts by a committee which looked into rural finance legislation in 1981. The committee comprised representatives of the Department of Agriculture, Treasury, the State Bank and the United Farmers and Stockowners Association.

The General Secretary of the association has confirmed his support for the action now proposed providing adequate support for the action now proposed in the area covered by the Acts is availalbe from the State Bank or elsewhere. As mentioned earlier, assurances have been received from the State Bank in that regard. The proposed amendments will prevent new lending under the Acts as from 30 June 1986. The bank will continue as the Government’s agent in the administration of the existing loans.

Clause 1 is formal. Clauses 2, 3 and 4 amend the Advances to Settlers Act 1930, the Loans for Fencing and Water Piping Act 1938, and the Student Hostels (Advances) Act 1961, respectively. The amendments do two things. Firstly, any money held in a fund under the Acts at the moment and all repayments and recoveries of loans or advances in the future are to be credited to the Consolidated Account. Secondly, no further advances or loans are to be made under the Acts after 30 June 1986. The Acts will remain in operation for the purpose of administering existing advances and loans.

Mr OSWALD secured the adjournment of the debate.