**ABATTOIRS ACT AMENDMENT BILL 1947**

**House of Assembly, 13 November 1947, page 1382**

Second reading.

**The Hon. Sir GEORGE JENKINS (Newcastle—Minister of Agriculture)—**This Bill is a direct result of a request from the Port Pirie Council for an amendment of the Act. The council intends to take a poll almost immediately on the question of establishing abattoirs at Port Pirie, and has pointed out that the Act does not properly safeguard its interests. The Parliamentary Draftsman reported to me that the council had good reasons for the assumption that the Act did not protect it. He reports as follows: —

“The Abattoirs Act, 1911-1946, provides for the establishment of abattoirs in country areas. The scheme of the Act is that, after the necessary poll of the ratepayers has been held in favour of the proposal, a council may establish an abattoir which is to be managed by a board of management. The capital necessary for the establishment of the abattoirs is provided by the council, or in the case of a scheme carried out jointly by two or more councils, by the constituent councils. Section 48 of the Act, which was amended in 1938, provides that the abattoirs board is to apply the revenue of the board as follows:—Firstly, in payment of the actual expenses of the abattoirs. Secondly, in payment of interest on moneys borrowed by the council for the purposes of the abattoirs. Thirdly, in payment of amounts necessary for maintenance, repairs, etc. Fourthly, in establishing a sinking fund which is to be sufficient to repay all moneys borrowed by the board within not more than 42 years from the time the moneys were borrowed. Fifthly, any balance remaining it to be regarded as profits and is to be paid to the council except that the whole or any part thereof may be paid into a reserve fund.

The position thus is that whilst the capital necessary for the abattoirs is to be provided by the council, section 48 provides that the abattoirs board is to meet the interest payable on the capital expenditure and contemplates that the board is to set up a sinking fund which will retire the capital debt within 42 years. However, this provision as regards the sinking fund is not clear. The paragraph in question requires a sinking fund to be established to meet amounts borrowed by the board. However, the Act does not authorize borrowing of this kind by the board and no provision is made for the payment to the council of the amount of the sinking fund although the intention of the section is obviously that the board should meet these capital charges.

The deficiencies of the provision have been pointed out by the Port Pirie Corporation where a proposal to establish an abattoir is under consideration. The provision in question in section 48 is therefore re-enacted by clause 2 of the Bill and it is provided that the revenue of the board is to be fourthly applied in payment to the council of the amounts borrowed by the council for the purpose of the abattoirs and so that the amounts so borrowed shall be repaid by the board within 42 years from the date of borrowing. Thus, except as will be mentioned later, all the revenue of the board remaining after expenditure upon the first three items set out in section 48, must be applied in payment of the capital borrowings of the council. This provision, of course, gives effect to the intent of the present provisions of section 48.

It is also provided by clause 2 that, with the consent of the council, the whole or any part of the revenue which would otherwise be paid to the council in repayment of capital may be set aside by the board in its reserve fund. As a consequential amendment, it is provided by paragraphs (a) and (6) of clause 2, that the interest payments to be made by the board to the council will be made in respect of the unpaid balance for the time being of the amounts borrowed by the council and thus, as capital is repaid by the board to the council, the annual commitments for interest will be correspondingly reduced.”’

I move the second reading.

Mr. LYONS secured the adjournment of the debate.