**ADVANCES TO SETTLERS ACT AMENDMENT BILL 1952**

**House of Assembly, 30 September 1952, pages 696-7**

Second reading

**The Hon. T. PLAYFORD (Premier and Treasurer)—**I move—

That this Bill be read a second time.

Its purpose is to extend the powers of the State Bank of South Australia to make advances under the Advances to Settlers Act. The Advances to Settlers Act, 1930, provides that the State Bank may make an advance to a settler for such purposes as making improvements on his holding, stocking his holding or discharging an existing mortgage. Section 7 of the Act lays down various limits to which advances may be made for various purposes but it is provided that the total amount which may be advanced to a settler for these purposes is not to exceed £1,200. Advances of this kind are to be secured by a first mortgage of the settler’s holding. It is also provided that this type of advance can only be made to a settler who holds his holding under a Crown lease or agreement and, thus, there is no power to make an advance to a settler who owns the fee simple of his holding. In 1944 it was provided by an amendment of the Act, in addition to making advances of the kind previously mentioned, the Bank could make an advance to a settler up to a maximum of £1,000 for the purpose of erecting, enlarging or altering a dwelling- house on his holding for occupation by himself, a member of his family or an employee. An advance for this purpose can be made up to nine-tenths of the value of the security and, in any case where the Land Board recommends the making of such an advance, the advance may be made on the security of a second mortgage. Furthermore, it is provided that a housing advance of this kind may be made both to a Crown lessee or purchaser or to a settler who holds his holding in fee simple. Thus, the Act now provides that a settler may borrow from the Bank a maximum of £2,200. made up of a maximum of £1,200 for improvements and £1,000 for a dwelling-house.

It is considered by the Government that these maximum amounts are now inadequate. The amount of £1,200 was fixed by legislation passed in 1927 as the maximum which may he advanced for improvements whilst the maximum advance of £1,000 for housing purposes was fixed in 1944. Obviously, there have been considerable changes in conditions since those times. It is therefore proposed by the Bill to increase these maximum amounts. Clause 3 amends section 7 of the Act, which deals with the making of advances for improvements. It is proposed by clause 3 to increase the maximum advance for improvements from £1,200 to £2,400. It is also proposed to delete from section 7 the subsections providing for various limits of advances for various purposes and to provide instead the general limitation that an advance under this section is not to exceed nine-tenths of. the value of the security. Clause 5 deals with advances for dwellinghouse purposes and in this case the maximum to which an advance may be made is increased from £1,000 to £1,750. The latter amount is the amount fixed as the maximum for housing loans under the Advances for Homes Act and the Homes Act. Thus, the combined effect of clauses 3 and 5 will be to increase the maximum advance under the Act from the present amount of £2,200 to £4,150.

As has been previously mentioned, the Act now provides that, except in the cases of loans for dwellinghouse purposes, advances can only be made to settlers who hold their holdings under Crown lease or agreement. It is proposed by clause 3 to amend the definition of settler so that this term will include any person engaged in agricultural, horticultural, viticultural or pastoral pursuits on land of which he is the owner in fee simple or of which he is a Crown lessee or purchaser. Thus, the scope of the Act will be extended to include settlers who own the fee simple of their land. Clauses 4, 7, 8, and 9 make various amendments to the Act which are consequential upon the alteration proposed by clause 2. Clause 6 deals with another topic. As has been previously mentioned, the bank can, in an appropriate case, make an advance to a settler for dwellinghouse purposes which may be secured by a second mortgage. Where the security of a lender is subject to prior mortgage or charge, it is sometimes in the interests of the lender to take over the obligations of the borrower in the case of default in his obligations under the prior mortgage or charge. The purpose of clause 6 is to provide that, where the bank ’s security is subject to a prior mortgage or charge and the mortgagor defaults in his obligation under this prior mortgage or charge, the bank, if it is satisfied that for the proper protection of its security it should do so, may pay to the person entitled the whole or any part of the amount by which the mortgage is in default. Any amount so paid by the bank is to be added to the amount of the advance made by the bank. Clause 10 makes a drafting amendment to section 28 of the Act. Clause 11 repeals section 30 of the Act. This section deals with the procedure to be followed when regulations are made under the Act. The general procedure in these matters is provided for in section 38 of the Acts Interpretation Act and the effect of repealing section 30 of the Advances to Settlers Act will be that section 38 of the Acts Interpretation Act will apply with respect to regulations made under the Advances to Settlers Act. This Bill is in accordance with the general Government policy of assisting the development of primary industries.

Mr. O’Halloran—Is there any great demand for this type of finance?

The Hon. T. PLAYFORD—Yes. We have recently undertaken to provide homes erected by the Housing Trust on individual farm properties, and at the outset there appeared to be a good demand for that type of housing.

Mr. O’Halloran—A great amount was not provided on the Estimates for that work.

The Hon. T. PLAYFORD—No, but if Parliament approved of a purpose under the Public Finance Act it would be possible for the Government to make available any additional amount necessary. The Government has received requests for this legislation and I believe it will be useful. At present we have not enough people with the old pioneering spirit to go out and develop blocks.

Mr. O’Halloran—-I could find the pioneers, but where are the blocks available?

The Hon. T. PLAYFORD—The A.M.P. Society has purchased large areas in the Upper South-East and there is still much land in that vicinity which may be acquired, but it would involve taking on undeveloped land and being prepared to go through the. trials and tribulations associated with its development.

Mr. O’Halloran—A considerable amount of initial capital would be required.

The Hon. T. PLAYFORD—Yes, and the provisions of this Bill liberalize the assistance available. In fact, they nearly double the assistance previously available under the various Acts.

Mr. O’HALLORAN secured the adjourn­ment of the debate.