**ADVANCES TO SETTLERS ACT AMEND­MENT BILL 1944**

**House of Assembly, 23 November 1944, pages 1144-5**

Second reading

**The Hon. T. PLAYFORD (Gumeracha, Premier and Treasurer**)—The purpose of this Bill is to enact a scheme under which advances may be made to primary producers for the purpose of the erection of dwelling-houses on their holdings. The housing legislation in force in this State presents perhaps the most com­prehensive scheme in the Commonwealth. There are the South Australian Housing Trust Act and the Housing Improvement Act under which houses may be built for letting and under which provision is made for the removal of slum conditions and the re-housing of inhabitants of sub-standard dwellings. There is the Homes Act under which a Government guarantee may be given for loans not exceed­ing £1,000 made by various institutions up to nine-tenths o# the value of the security. The Advances for Homes Act contains provisions under which, if the Bill amending that Act now before Parliament becomes law, assistance for housing may be given by the State Bank by means of advances not exceeding £1.000 and up to nine-tenths of the value of the security. Whilst these Acts are not specifically restricted in their operation, in practice their provisions are appropriate mainly for application to urban areas and it follows that, although the legislation is adequate to deal with the needs of urban areas, this legislation does not have the same effect in relation, to rural housing.

The Advances to Settlers Act, 1930, makes some provisions for rural housing. Under this Act the State Bank may make advances to a settler, among other things, of the erection of buildings on his holding. In several respects, this Act is not liberal enough in its provisions. The only persons entitled to receive advances are persons holding Crown leases or agreements and a farmer who holds his land on freehold tenure is not eligible for an advance. Then again, the total amount which may be advanced for the making of improvements such as clearing, fencing, water supplies, buildings and other matters is £600 and the total amount which may be advanced for all purposes to any settler is £1,200. It is obvious that, if a settler wishes to erect an adequate dwelling- house for himself or an employee, this limit of advance is too low.

The Act also provides that advances can only be made up to three-fourths of the fair estimated value of the security. In addition, advances cannot be made if the holding is encumbered by a mortgage or charge in favour of any person other than the Crown so that, in effect, the advance must be secured by a first mortgage. This is one of the most important deficiencies of the legislation. If a farmer’s holding is already subject to a private mortgage lie cannot secure an advance under the Act and, if he desires a further loan for the erection of a dwelling-house, he must attempt to raise a second mortgage from private source. If he finds it impossible to raise such a loan, he is often required to pay a high rate of interest and must be satisfied with a short term mortgage. In practice, it is likely that the difficulties of raising a loan in this manner will prevent many farmers from taking such a course.

The provision of rural housing of an adequate standard is as equally important as the provision of proper housing in urban areas and it is considered that a primary producer who desires to provide good housing for himself or his employees should be given state assistance for this purpose comparable to that given to the urban resident. The Bill extends the provisions of the Advances to Settlers Act so that this result will be achieved. Clause 2 defines a primary producer to mean any person who holds land on freehold, Crown lease or Crown agreement and who is engaged in agricultural, horticultural, viticultural or pastoral pursuits. It is provided that the State Bank may make an advance to any primary producer for the purpose of enabling him to erect, enlarge or alter a dwelling-house on his holding. The dwelling-house is to be for the occupation of the primary producer, a member of his family or an employee. Advances may be made of any amount up to £1,000 and up to nine- tenths of the value of the security. It thus follows that, as regards the amount which may be advanced and the limit of the advance, the provisions of the Bill are similar to the provisions of the Homes Act and the Advances for Homes Act. Any advance made under the Bill is to be additional to any other amount which may be advanced under the present provisions of the Act.

Every advance is to be secured by mortgage of the holding of the primary produce. It is provided that a mortgage may be taken subsequent to an existing mortgage or charge in favour of a private person. In every such case, it is provided that the Land Board is to be satisfied that the production derived from the holding is sufficient to justify the erection of the dwelling-house and that the estimated fair value of the holding is such to enable the advance to be made in accordance with the Bill and the advance is not to be made unless it is recommended by the Land Board. We realize that, in regard to a second or subsequent mortgage, care must be taken, in the first place, to see that there is an adequate living area so as to ensure that the house will remain occupied, and secondly, whether there are charges that come ahead of our security to make sure that the security is sufficient. Therefore, not only do the housing authorities have to be satisfied, but in addition we require that the Land Board also shall supplement the favourable finding of the State Bank. The losses we have made in the country on housing have almost always been associated with the fact that money has been spent upon houses on properties where there was not really a living area. The effect will thus be that, notwithstanding that a holding is already mortgaged, an advance may be made to enable the primary producer to erect a dwelling- house on the holding. Before such an advance can be made both the State Bank and the Land Board will have to be satisfied that the advance is one which should be made in accordance with the provisions of the Bill.

The provisions of the Advances to Settlers Act relating to the period for repayment of the advance and the interest to be charged will apply to these advances. Under the Act, advances are repayable in half-yearly instalments over a period fixed by the Bank but not exceeding a total period of 35 years. Interest is payable at the fixed rate declared for the purposes of the Act. Quite recently we had a measure before us dealing with rates of interest and all departments will now operate under similar conditions. Section 5 of the Act now provides that not more than £200,000 per annum is to be applied from loan moneys for the purpose of the Act. If the power to make advances is extended as proposed by the Bill, it is considered that this limitation should be removed and clause 3 amends section 5 accordingly. I believe that this Bill will remove an existing anomaly, namely, that whereas we have been able to effectively provide finance for housing in the metropolitan area, there has been a serious gap in the housing plans of this State in respect of the country.

Mr. Thompson—And the man in the country is equally entitled to a decent home.

The Hon. T. PLAYFORD—Quite so, and under existing legislation that is frequently not the case, because it has been somewhat restricted in its application.

Mr. Thompson—-Will this provision be administered by the State Bank?

The Hon. T. PLAYFORD—Yes.

Mr. Thompson—It is very close to a lot of the recommendations of the Commonwealth Housing Commission.

The Hon. T. PLAYFORD—I was not aware of that, so it is a case of great minds thinking along the same lines. I am pleased to have that assurance, because it is another reason for commending the Bill to the House. I move the second reading.

The Hon. R. S. RICHARDS secured the adjournment of the debate.