**LOANS FOR WATER CONSERVATION BILL 1948**

**Legislative Assembly, 25 August 1948, page 850**

Second reading

**The Hon. M. McINTOSH (Albert—Minister of Works)—**In moving the second reading of this Bill it might be appropriate if I took the advantage of placing before the House and the public what has been achieved in South Australia in regard to water supplies and the problems we have had to face. South Australia is not blessed by a good rainfall, but despite that we have done more to reticulate water to the people than possibly any other country in the world with anything approaching a similar population. With a population of about 600,000 we have spent nearly £25,000,000 on water supplies and 94 per cent of the public in South Australia are served with water under pressure every day. Sometimes the pressure is rather light, but I point out that in the majestic city of Sydney they have restrictions from time to time which do not enable them to water even gardens in the metropolitan area, and which extend in many cases also to commercial gardens. In what we in South Australia have achieved in the provision of water storages and reticulation of supplies, we have something of which to be, proud. I am not taking unction to this Government or this Parliament for anything in that respect, except to say that we have followed strongly in the tradition of past Parliaments. The people of South Australia for generations have shown wonderful foresight in the development of the meagre water supplies Nature has made available to them.

The careful husbanding of our water supplies is a matter of great moment, particularly when I point out that the annual rainfall for this State is less than 20in. for 96 per cent of the State and that 82 per cent of the State has an average rainfall of less than 20in. What we have achieved is a great tribute to the courage and oversight of our engineers and those who provided the funds to establish our water supplies. Adelaide was first reticulated from Thorndon Park in 1858 and since that time the rapidly growing demands for water in the metropolitan and country areas have been met by building reservoirs and tanks and sinking wells and bores all over the State. Reservoirs have been built with a total capacity of 24,000 million gallons, and 7,000 miles of water mains laid, a length sufficient to reach around Australia, via Melbourne, Sydney, Brisbane, Townsville, Darwin, Broome, and Perth. The round Australia air route is 7,000 miles and we have enough water mains in South Australia to take a water supply around the whole of that immense route.

Mr. Stephens—And we are still short.

The Hon. M. McINTOSH—We are certainly not short of oversight or perseverance. The purpose of this Bill is to take up the lag. Our numerous country water supplies include artesian bores on the stock route from Queensland to Marree, more than 400 miles from Adelaide. These bores are up to 4,850ft. deep. The Tod River scheme on Eyre Peninsula with its system of mains from Port Lincoln to Thevenard has already cost £4,000,000, and when the Uley-Wanilla works have been completed the total cost will be approximately £5,000,000. That is an immense undertaking for a few people and by a few people. Barossa, Warren, Beetaloo, Bundaleer, and other reservoirs supply lower and mid-northern areas, pumping schemes supply the dry mallee areas surrounding Loxton and Moorook, and the supply for Mount Gambier is provided from the Blue Lake. The recently completed Morgan-Whyalla pipeline supplies Whyalla and ensures, a permanent supply to the whole of the northern areas. Without this supply these areas would have been in dire straits without water for many months during the last drought, and therefore the pipeline averted a disaster of the first magnitude. I do not think it has been properly realized what that pipeline has meant to South Australia. Strangely enough that dry area, which receives only a few inches of rain yearly, was actually without water restrictions when some of the best watered parts of Australia were having restrictions. That scheme, which cost £3,000,000, has already paid for itself, if for no other reason than that it averted a tragedy which could have occurred in that country if the water main had not gone through. It now remains for the people who have benefited, and those who will benefit in the future, to pay for what they have received. The metropolitan area is supplied from five reservoirs, including Mount Bold, which was completed in 1937. Approaching £25,000,000 has been spent on these and numerous other water supplies, excluding irrigation works on the River Murray. It is a wonderful effort, on the part of the people and the Governments of this State when we realize that only 4 per cent of the population do not receive water by reticulation, and that over four million acres are supplied with water under pressure.

Mr. McKenzie—We are making a start.

The Hon. M. McINTOSH—If 94 per cent does not represent nearly the finish, I do not know what you can call it. The State’s expenditure on water supplies has amounted to £15 per head of population in the metropolitan area and £68 per head of the population served in country areas. A reticulated water supply has been made available to more than 4,000,000 acres of farming and grazing lands at an average cost, of £3 12s. per acre, and publicly-owned water supplies serve 94 per cent of the State’s entire population. When people talk about the cost of these schemes and the water rates they have to pay, they should remember that up to date it has cost £3 12s. 6d. an acre for every acre of country land served. I do not know of any scheme that could be contemplated which will cost much less. No other State in Australia has expended as much money on a population basis and it is doubtful whether any other country in the world has provided such comprehensive water schemes to supply sparsely settled areas.

Twenty years ago a Parliamentary delegation from Australia and other parts of the British Empire visited Adelaide. Sir John Fairfax, of the Sydney Morning Herald, was honoured by being appointed leader of that delegation. He was so impressed by the comprehensive scheme we have in this State that he sent a leading journalist here to write an article about it. South Australia has been extolled for the advances it has made in the extension of water supplies. We have contributed our quota of £3,000,000 towards a total of £12,000,000 for locking the River Murray. When other people talk about taking River Murray water from South Australia, they have to realize that until the river was locked there was no constant supply of water for people living along it. Until that work was completed, about the beginning of World War II., there was no permanent supply in the river to extend water supplies to Adelaide, but today we have taken water to Whyalla and now are taking it along the East-West line for defence purposes. That is another step forward and we want to make it reasonably possible for people not blessed with the benefits of reticulation to obtain water on reasonable terms.

The reservoirs supplying Adelaide receive water from the Torrens and Onkaparinga rivers and these reservoirs, when full, contain 64,000,000 tons of water. They provided a reserve supply of 41,000 gallons for every man, woman and child in the metropolitan area compared with 23,000 gallons before the completion of Mount Bold reservoir and 16,000 gallons before Millbrook was built. I am giving these data because at times it is suggested that we are putting the country against the metropolitan area which sometimes does happen. I am trying to show what we have done in each case. It is not what the present Government itself has done, but what Parliament has done. We are trying to hold the balance equally between the two interests. Today we have a reserve of water to serve Adelaide double what was available for each locality prior to the completion of Mount Bold reservoir. A 1,200-gallon tank is often relied upon to provide rain water for a household of four persons, representing 300 gallons reserve for each individual, compared with 41,000 gallons provided by the reservoirs. Periodical water shortages are not peculiar to South Australia and occur from time to time in most of the Australian capital cities and many European cities. At the present time the use of water is restricted in Sydney.

Governments have not only to consider the convenience of the citizens but also their pockets and the cost of providing works to assure an unrestricted supply under all possible conditions is sometimes prohibitive. I say definitely it is so prohibitive that we could not obtain it. Members will appreciate that when they realize that the new pipeline proposed from the River Murray to Adelaide will cost £5 for every running foot, on top of which the water must be lifted about four times to a total height of nearly 1,600ft. Before the barrages were completed on the lower Murray in 1940, the water was frequently unsuitable for a metropolitan supply in times of drought—just when it would be required. However, in contemplation of the Goolwa works being carried out, the alternative of a supply from the river was considered by the department before recommending Mount Bold. The Public Works Standing Committee gave some consideration to this and other proposals before recommending the construction of Mount Bold and the committee’s report stated: “Pumping from the River Murray appeals to the popular imagination”; and later that, “owing to the high cost, no further investigation into the Murray pumping proposition was made.” That was several years ago. Unfortunately, I believe— and I say it advisedly—there has been a great urge to take water to the people rather than the people to the water. An endeavour was made to impress on the public how ruinous it was to build a city around a water supply which was not obtainable within a reasonable distance of it. Short of the conscription of labour and power, no Government can compel people to go to the country to live and work. Since then this scheme has been resubmitted to and recommended by the Parliamentary Standing Committee on Public Works and will proceed together with a reservoir on South Para River—the total cost of both being estimated at over £5,000,000.

Many additional undertakings designed to supply water where none is now available or to provide improvements necessary to meet expanding needs have been approved by the Government and are either under construction or awaiting materials and labour. New schemes include Clare, Jamestown and Caltowie, Farrell Flat, Auburn, Meningie, Milang, and Port. MacDonnell.

The Public Works Committee is at present inquiring into a comprehensive scheme for Yorke Peninsula and a number of other important projects are in course of investigation by the department, including a major undertaking involving the construction of a dam on Myponga Creek to serve an extensive area extending from Hackham and Port Noarlunga to Yankalilla and Normanville. However, it must be borne in mind that the greatly increased costs of labour and materials have forced up the cost of water mains and lengthy mains to serve isolated localities are not always economically sound. A 16in. main now costs £7,000 per mile, a 12in. main £5,500, a 10in. £4,500 per mile, and an 8in. about £4,000. Furthermore, there is an acute shortage of pipes, not only in South Australia, but all over Australia and the department is finding it impossible to make or purchase sufficient pipes to meet the State’s needs. In an attempt to alleviate the shortage the Government has ordered 1,000 tons of cast iron pipes from England despite the fact that the landed cost of these pipes will be more than twice that of pipes produced locally.

During the whole course of the war, notwithstanding that there was an urgent demand for men and materials I, with the concurrence of Parliament and the Government carried on the pipe works at Glanville. At the end of the war we had a considerable reserve of cast-iron pipes, so much so that we were besieged by Governments in all the States, as well as the Commonwealth Government, to make some of our reserves available. We pointed out that we had accumulated them by our own efforts, that we needed them and were not prepared to make them available. The next thing was that about 18 months ago we had an acute coal shortage, followed by a more acute shortage of coke. The net result was that we had temporarily to close the Glanville pipe Works. Despite the fact we offered continuous employment to everyone who wanted to remain, the result was that we lost many of our employees. Today the works are not functioning to anything like full capacity and I cannot see that position being attained in the immediate future. The present position arose because of a shortage of coke. Under existing conditions it is useless to consider further pipelines, because we have not the men nor the materials to do the work, but the Government is undertaking work to the limit of the resources available.

The committee appointed by the Government to inquire into water supplies in the County of Buxton recommended that certain local waterworks should be restored and made effective. The capital cost would be about £160,000 and the work will be done as circumstances permit. The committee recommended that in addition to what could be done under ordinary advances to settlers, consideration would be given to the extension of water supplies on individual holdings, and this Bill provides for that to be done. I will explain the Bill in order to give a proper background of the position and to show some of the difficulties still to be overcome. A committee was formed during the war period, known as the Water Conservation Committee, to investigate the supplies on the West Coast and advise the Government as to which of those supplies, some of which had been allowed to go into disuse, should be restored. The committee consisted of Mr. Solly (who was then Secretary of the Engineering and Water Supply Department) as chairman, Mr. Craig of the Lands Department, and Mr. Dridan (Deputy Engineer in Chief). An exhaustive investigation was made in the county of Buxton and their report was of the utmost value in assessing the requirements of this area. The committee made recommendations dealing with specific supplies which will be giveneffect to as occasion warrants and men and materials permit. The estimated cost of the suggested improvements on existing supplies amounted to £160,000. The committee also recommended that consideration be given to assisting settlers to enable them to establish and improve supplies on their own holdings.

The purpose of this Bill is to give effect to the desire of the Government to extend water supplies wherever possible and thus provide a legislative scheme under which the State Bank will be authorized to make loans to persons for the purpose of construction of dams and/or water facilities on their land where water is not available from Government supplies and where, therefore, the farmers must make their own provision for water conservation. The Bill has general application to all parts of the State where the same necessity exists. The scheme of the Bill is as follows:—The State Bank is authorized to make loans to an owner of land for the purpose of the construction on his land of any dam, storage, or other works for the conservation of water or for the extension of any existing works. An applicant is required to give the particulars necessary for the consideration of his application and is to verify his application with a statutory declaration. The maximum amount of any loan is fixed at £800 and a loan is not to be made unless the Land Board recommends the loan after considering whether the productive capacity of the land justifies the construction of the water storage works and after considering the value of the security provided by the land after the construction of the proposed works. In addition, a loan is not to be made unless the Engineer-in-Chief is satisfied that the works are capable of being carried out, that the estimated cost is not unreasonable, that the proposed works would be effective, and that the proposed works are the most economical means of providing a water supply for the land.

It will thus be seen that, before the State Bank can make a loan, the loan proposal must be reported upon from two different angles. Firstly, from the viewpoint as to whether the works are justified having regard to the productive value of the land and, secondly, from the technical side, whether the works are justified as an engineering project and whether the cost is reasonable or not. It is further provided that a loan is not to be made in respect of land within a water district unless the Engineer-in-Chief certifies that it is impracticable to supply water to the land from the existing Government waterworks. Loans are to be secured by mortgage to the bank. If the land is already mortgaged a loan may still be made on the security of a subsequent mortgage but, in any event, the total amount secured by mortgage on the land is not to exceed nine-tenths of the fair estimated value of the land including the estimated value of the improvements which would be effected by the construction of the water storage works. This limit of advance conforms to the policy of other legislation under which money is advanced or advances are guaranteed by the Government. Instances when nine-tenths of the security is fixed as the limit for advances are provided in the Advances to Settlers Act, Advances for Homes Act, and the Homes Act.

Interest on any loan is to be payable at the fixed rate applicable at the time the loan is made and the bank is given power to declare a fixed rate from time to time. This is the usual procedure in legislation of this nature but, in this connection, regard must be had to the provisions of the Interest on Crown Advances and Leases Act, 1944, which empowers the Treasurer to vary any such fixed rate from time to time and under which, it will be recalled, interest rates on Crown advances were a few years ago brought down to rates in consonance with the current interest rates payable on Government borrowings. Loans are to be repaid to the bank in such instalments as are fixed by the bank, but the term of any loan is not to exceed 15 years. This is considered a reasonable period to fix as the maximum period for repayment of a loan under the Bill.

The Bill contains a number of administrative and ancillary provisions of the kind usually included in legislation of this character and upon which no special comment is necessary. The last three clauses of the Bill, however, should be specially considered. Clause 16 authorizes the Treasurer to borrow £25,000 and any amount so borrowed is appropriated by the clause for the purpose of making loans under the Bill. A provision of this nature is necessary to secure that there will be funds available for loans during the present financial year as the Public Purposes Loan Act has already been passed by Parliament for this year. In future years, loan moneys necessary under the Bill will be included in the ordinary Loan Estimates for those years. Clause 17 provides that the Treasurer may from the general revenue pay to the bank towards its cost of administration of the Bill such amount as is fixed from time to time by the Treasurer. Today country water schemes are deficient to the extent of £1,000 a day in regard to the meeting of working expenses and interest. Under this Bill we will not be involved to anything like that extent, but it would not be unreasonable to say that people borrowing under this legislation should pay full costs. There is another section of the public to be considered and that is the remaining six per cent who will not be benefited and who provide their own water supplies out of their own capital and profit. They would be very reluctant to be mulcted to any great extent to provide water supplies for other people.

Clause 18 relates to the practical problem of the construction of the water storages for which loans are to be made under the Bill. It is obvious that, in most cases, a farmer desiring to construct a dam will need to secure the use of earth moving equipment and, in instances, it may occur that the local district council will be the most appropriate source from which to obtain this plant. Section 664a of the Local Government Act, which was enacted in 1946, provides that a council may undertake the construction on private property of any dam or similar works for the storage of water. Thus, district councils already possess the power to carry out the work in question but the further point arises as to the ability of a council to secure the necessary finance to acquire earth moving equipment where it does not already possess the equipment. Section 32 of the Highways Act, as amended in 1944, provides that, with the approval of the Minister, the Commissioner of Highways may advance money to a council for the purpose of enabling it to purchase road making plant. In general, the same plant could be used both for road making purposes and for the construction of dams, but if a council undertakes the construction of dams throughout a district, it may be that the demands upon the plant for this purpose will, for the time being, preclude the use of the plant for other purposes. Consequently, clause 18 extends the provisions of section 32 of the Highways Act so that an advance may be made under that Act to enable a council to purchase plant for the purpose of the works contemplated by the Bill.

I have furnished this background to the Bill in order to show that in this State we are trying to deal justly with all sections of the community. In the metropolitan area a large amount of money has been expended in providing water supplies and those works out of their profits have provided a pool out of which we have been able to establish water supplies for the rest of the State. As I said, we are losing over £1,000 a day on country water supplies, but there are still a few people—and a very important section—who seem to be outside the ambit of any possible extension of water supplies. This Bill will enable them to secure loans at a low rate of interest in order to provide their own supplies. I have often discussed the question of water supplies with people who have come into my office. Sometimes they have stated to me that they could carry sheep ad lib if they had a water supply, but when I have asked them if they would be prepared to pay a rate of £14 or £15 a year, they have regarded it as exorbitant. The average rate for reticulation supplies on the West Coast is about £12 10s. I have often told settlers “If you could carry in addition only 50 old ewes, they would provide a return for you more than double the amount you would pay in water rates”. The rate of interest proposed under this measure will not imperil any settler’s finances. I move the second reading.

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