**LOANS FOR FENCING AND WATER PIPING ACT AMENDMENT BILL 1952**

**Legislative Council, 12 November 1952, pages 1261-2**

Second reading

**The Hon. A. L. McEWIN,** having obtained leave, introduced a Bill for an Act to amend the Loans for Fencing and Water Piping Act, 1938-45.

Read a first time.

The Hon. A. L. McEWIN (Chief Secretary) —I move—•

That this Bill be now read a second time. Section 16 of the Loans for Fencing and Water Piping Act provides that, if a loan under the Act is made in respect of land comprised in a Crown lease or Crown agreement and the lease or agreement is subsequently cancelled, then, if the land is subsequently re-allotted under Crown lease or agreement, the liability to pay the loan is revived and becomes a charge on the land comprised in the new lease or agreement. The purpose of this section was as follows. Without some such enactment as that provided by section 16 the effect of the cancellation of the lease or agreement would be to wipe out the charge on the land in respect of the loan as the Crown would, on cancellation, be both the owner of the land and the body entitled to the charge on the land to secure the loan and the lesser interest would merge in the greater. Thus, in order that the land, on being again allotted on lease or agreement should be again subject to the charge securing the loan, it was necessary to enact section 16.

The State Bank, by which the Act is administered, has suggested that this provision is unwieldy to administer. There are no provisions similar to section 16 in the Advances to Settlers Act and the Vermin Act, and, if similar circumstances arise in respect of advances made under those Acts, the advances are written off when the land reverts to the Crown and if the land is re-allotted, the Lands Department, after taking into consideration the assets created on the land by the expenditure of the advances, makes proper provision to recover the outstanding amounts when considering the rent or other charges to be payable under the new lease or agreement. This procedure has resulted in considerable reduction in administrative work. It is therefore proposed that a similar procedure be followed under the Loans for Fencing and Water Piping Act, and clause 2 provides that, in the future, when a Crown lease or agreement subject to a loan under the Act, reverts to the Crown, the charge provided as security for the loan will not be revived when the land is again allotted. It will be for the Lands Department to fix the rent or other charges payable under the new Crown lease or agreement so that the un-repaid amount of the loan will be recouped to the general revenue.

The Hon. F. J. CONDON secured the adjournment of the debate.