**LOWER RIVER BROUGHTON IRRIGATION TRUST ACT AMENDMENT BILL 1940**

**House of Assembly, 29 August 1940, pages415-6**

Second reading

**The Hon. M. McINTOSH (Albert—Com­missioner of Public Works)—**By this short Bill the Government seeks to obtain the sanction of Parliament for lending money to the Lower River Broughton Irrigation Trust. The trust was established under the Act of 1938, and was by that Act given power to borrow money for the construction of any works which it was allowed by law to construct. The trust has not been able to make arrangements for finance, no doubt because this class of business is little catered for in South Australia, and has applied to the Government for a loan. As Parliament was informed when the original Bill was before it that no Government finance would be Involved, the Government thinks it right to seek the approval of Parliament before making any arrangements for a loan to the trust. The maximum amount which can be lent to the trust under the Bill is £7,000. The terms of the loan must be satisfactory to the Treasurer and consistent with the principal Act. Before lending any money under the Bill the Treasurer would require the trust to give security for the amount lent and the interest thereon. Section 97 of the principal Act provides as follows:—

The trust may subject to this Part give security for any money borrowed by it—

1. by the issue of debentures containing, if the trust thinks fit, a charge on the future rates of the trust and power to appoint a receiver:
2. The best form of security which the trust could offer at present would be debentures charging the trust’s rate revenue and providing for the appointment of a receiver if the trust should make default.

The provisions as to the receiver would be set out in detail in the debentures. In accordance with the usual practice these provisions would declare that on default by the trust in payment of interest or principal, the Treasurer should be entitled to appoint a receiver who would collect all rates and other moneys owing to the trust, and apply them in satisfaction of the amounts due to the Treasurer. If the Treasurer thought fit he could also require that the receiver should be granted power by the debentures to sell any of the trust’s property in order to raise money for paying its liabilities in respect of the loan, but possibly the Treasurer would not insist on this provision. The debentures could also contain an undertaking by the trust to declare and levy such rates as are necessary to enable it to meet its liabilities to the Treasurer. Even if this latter provision were not in the debentures the trust could at common law be compelled, in legal proceedings instituted for the purpose, to use its rating powers to an extent sufficient to enable it to pay its debts. If provisions such as I have indicated are included in the debentures there seems to be no reason why a loan to the trust should not be a sound investment. I know the country well, and I have seen millions of gallons of water flowing down that river and going to waste. If that water could be controlled by the trust

it would add greatly to the production and prosperity of the State. It is wrong that this water should not be utilized to irrigate the country, because it will respond to water.

The Hon. R. S. Richards—How long is it since any water has gone down the river?

The Hon. M. McINTOSH—They get at least annual floods.

Mr. Nieass—Have they had any since the Act was passed?

The Hon. R. S. Richards—No.

The Hon. M. McINTOSH—I say emphatically yes. The security offered by the trust is adequate, because it has rating power, and I am sure that if there is any doubt about that question it can be dispelled in the same way as doubts were dispelled in the previous inves­tigation. This is a hybrid Bill and, if it passes the second reading, it must be referred to a Select Committee. The House will then have the advantage of the investigations of that committee. The original inquiry related substantially to the merits of the Act itself. The next inquiry will be in relation to the possibilities of the country.

The Hon. R. S. Richards—This is an amending Bill?

The Hon. M. McINTOSH—It is not in any shape or form. It is merely supplementary to the Act. The trust and the Government have every reason to believe that lending institutions would be prepared to lend to the trust, but in this State we have reached a stage when the Government provides assistance to such an extent that institution after institution has asked us to continue. The House has already appropriated the money, and this Bill will enable it to be expended on such terms as the Treasurer thinks fit, having due regard to the security the State should obtain. I commend the measure to the House and move the second reading.

The Hon. R. S. RICHARDS (Wallaroo— Leader of the Opposition)—I do not intend to delay the House on the Bill as early in the session I informed the Government that the Opposition would give it every assistance in regard to essential legislation, especially legislation incidental to the war or arising out of our war effort. I realize the importance of this measure. I am sorry Mr. Lyons is not; here because he could supply a lot of information on the subject. Doubtless there has been difficulty in controlling, as the Minister stated, the countless millions of gallons of water which have flowed down the River Broughton. There should be a close investigation into the problem. It might happen that we should lose the honourable member for Rocky River; he might be drowned in one of the floods, and for the reason that we may be able to save him I favour the Bill’s going before a Joint Committee. The Opposition raises no objection to the second reading to allow it to go to the committee. I am sure the Select Committee will be just as emphatic in its report as has been the Minister in his explanation of the clauses.

Bill read a second time.

The Hon. M. McINTOSH moved—

That the Bill be referred to a Select Committee pursuant to Joint Standing Order No. 2.

Motion carried.

The Hon. M. McINTOSH—I move—

That the committee consist of Messrs. Dunn, Lyons, O’Halloran, Stephens, and the mover, that it have power to send for persons, papers, and records, and report to the House on Tuesday, September 24.

The members mentioned were on the Select Committee which dealt with the original Bill, and as they are acquainted with its provisions I feel we could not do better than place them on this committee.

Motion carried.