# CATTLE COMPENSATION ACT AMENDMENT BILL 1974

**HOUSE OF ASSEMBLY March 26, 1974, page 2744**

## **Second reading**

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as might be required for the purposes mentioned in the Bill.

The Hon. J. D. CORCORAN (Minister of Works) obtained leave and introduced a Bill for an Act to amend the Cattle Compensation Act, 1939-1972. Read a first time.

The Hon. J. D. CORCORAN: I move:

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in Hansard without my reading it.

Leave granted.

**Explanation of Bill**

The urgent need for this short Bill has been demonstrated by the parlous state of the Cattle Compensation Fund, established under the principal Act, the Cattle Compensation Act, 1939-1972. In fact, this fund, in the financial year, 1972-73, required a Treasury subvention of $110 000 to meet its obligations during the current financial year. Clearly, two actions are immediately necessary. First, it is necessary to relieve the fund of its obligations to make contributions towards the national brucellosis/tuberculosis campaign. At present these contributions are running at the maximum permitted by the principal Act; that is, $25 000 per annum. I hasten to point out that relieving the fund of its obligations will in no way prejudice the eradication campaign, since appropriate funds will be found from other sources both State and Commonwealth.

The second action, which has been agreed to by the industry, is to increase from July 1 next the levy under the principal Act. At the moment this levy stands at 5c for cattle or carcasses having a sale price of up to $70 and 10c for cattle or carcasses selling at more than that figure. At current market. prices this has been an effective levy of 10c a head.

It is now proposed to increase this levy to 5c for each $20 or part thereof of market value up to a maximum of 50c. This will result in a beast or carcass having a market value of $200 or more attracting the maximum levy, and this accords with the maximum market value of $200 on which compensation is payable. Clause 1 is formal. Clause 2 brings the measure into operation on July 1, 1974. Clause 3 relieves the fund of the obligation referred to above. Clause 4 increases the levy payable under the Act.

Mr. ALLEN secured the adjournment of the debate.

Later:

Mr. ALLEN (Frome); This is a short Bill brought about by the Cattle Compensation Fund having become short of money. Indeed, in his explanation, the Minister said that the urgent need for this Bill was brought about by the parlous state of the fund. In this House on September 19, 1972, I issued a warning that this could happen. Speaking in the debate on the Appropriation Bill I said:

I also issue a note of warning about the Cattle Compensation Fund. The Auditor-General’s Report sets out the present position of the fund, and I think that gives cause for concern by those interested in the industry.

The balance in the fund at June 30, 1971, was $277 394.

Receipts in 1971-72 were $67 971. I may add that this was a result of record slaughterings of cattle in South Australia during that year. This amount would have been much higher had not many cattle been transported : from this State to the Eastern States for slaughter.

Payments in 1972 amounted to $198 731, which was about three times the sum received. The balance at June 30, 1972, was $146 634 and if the current year’s receipts were added, it would be about $200 000. However, if as many claims are made this year as were made last year, the fund will be practically exhausted at the end of the financial year.

I referred, of course, to the financial year 1972-73. At the end of June, 1973, the Treasury had to supplement the fund by $110 000, At the commencement of the current financial year the fund stood at $81 643, and if payments are the same this year as last (and most indications are that they will be) the Government will have to supplement the fund again at the end of this year with a further. $100 000. This state of affairs cannot be allowed to continue, and it is one of the reasons for the introduction of the Bill.

It is intended that stamp duty, which at present is about 10c a head of cattle, will be altered; stamp duty in future will be at the rate of 5c in every $20 up to a maximum of $200 total price for the animal, bringing in 50c a head in stamp duty. From prices ruling at the abattoirs at present, I imagine that the sale of an animal at an average of $140 would bring in about 35c a head in stamp duty, and. this should keep the fund financial for some time. One reason for the large payments of compensation in the 1972-73 financial year was the stepping up of the programme of eradicating brucellosis and tuberculosis. In the Far North of this State we have a serious problem. The smaller cattle stations in the North appear to be able to have quite a good muster, and the incidence of disease on those stations is down to about 1 per cent. On the large cattle stations, however, it is difficult to get a good muster, with the result that some cattle that miss the muster could be carriers of these diseases, spreading them through the whole of the herd.

Conditions in the North of the State are good, and so many water holes are spread over the stations that cattle move off in groups of 15 or 20 and it is difficult to get a good muster. This problem is accentuated because fences have been washed away by recent rains. Many cattle have become mixed with others, and much of the eradication work done in the past will be nullified. The work may be set back to some extent as a result of the floods. The increased stamp duty will be hard on owners of cattle in the inner areas. Primary producers who run cattle in smaller paddocks are able to watch diseases closely, and only a few cases are reported. Unless the diseases are brought under control, we stand every chance of losing some of our valuable oversea markets. It behoves all, everyone, whether in the inner country or in the outer areas, to continue to concentrate and try to rid the State of the diseases. I feel sure that cattle owners in the inner country will not object to the increased stamp duty in order to supplement the sum in the Cattle Compensation Fund. I support the Bill.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—“Establishment of Cattle Compensation Fund.”

Dr. EASTICK (Leader of the Opposition): I point out that there is a variation and that we are amending section 11 of the principal Act by striking out paragraph (b) of subsection (3), not subsection (2) as stated earlier. Indeed, the Minister’s second reading explanation refers to the substance of subclause (3), and it is only by striking out paragraph (b) of that subsection that we can hope to achieve what is intended by the Bill.

The Hon. J. D. CORCORAN (Minister of Works): The Leader drew my attention to this matter, which has been corrected.

Clause passed.

Clause 4 and title passed.

Bill read a third time and passed.