**CATTLE COMPENSATION BILL 1939**

**Legislative Assembly, 5 September 1939, pages 787-9**

Second reading

**The Hon. R. J. RUDALL (Angas—Commis­sioner of Crown Lands)—**The purpose of this Bill is to provide for the imposition of stamp duties on the sale of cattle and to apply the funds thereby raised for the purpose of pro­viding compensation to owners of cattle which are required to be destroyed because the cattle are suffering from or are suspected to be suffering from disease. Under the Stock and Poultry Diseases Act, provision is made whereby cattle may be ordered to be destroyed by reason of disease, but no provision is made for the payment of compensation to owners. The primary reason for the law authorizing the destruction of cattle is to prevent the spread of infection but, under the present law, the owner of the cattle destroyed must bear the whole cost of the precautions taken in the inter­ests of the industry. In other States, schemes have been devised whereby taxation is imposed upon the industry so as to provide a fund from which compensation is payable to owners of stock destroyed because of disease and in this State the Swine Compensation Act, 1936, pro­vides a similar scheme whereby the owners of swine receive compensation for swine condemned by reason of disease.

At present there is in force at the Metropolitan Abattoirs market a system whereby a charge of 10s. per cent, of the price of every head of cattle sold is collected. The amounts form a fund which is used to compensate the purchaser of cattle, the carcasses of which are condemned after slaughter, but this fund affords no protection to the stockowners. It is, in fact, a levy upon owners who sell cattle at the market which is applied towards the protection of the purchasers. If condemnation of cattle takes places before the sale, the owner obtains no benefit from this fund. Under this Bill a stamp duty will be imposed on all sales of cattle and the proceeds will be used to com­pensate owners of cattle and carcasses which are destroyed or condemned by reason of disease. Disease is defined by clause 4 to mean pleuro-pneumonia, tuberculosis, actinomycosis, and Johne’s disease.

Part II. of the Bill deals with claims for compensation. Clause 5 gives a right of com­pensation to the owner of any cattle which are destroyed by order of an inspector pursuant to any Act or any regulation or proclamation under any Act, because the cattle are suffering from or suspected of suffering from disease. The clause also gives to the owner of any carcass or portion of a carcass a right of com­pensation if the carcass is condemned as unfit for human consumption by reason of disease. In addition, compensation will be payable to the owner of any cattle destroyed, with the consent of the chief inspector, because the cattle are suffering or suspected of suffering from disease. Clause 6 fixes the amount of compensation payable. If, after destruction, the cattle are found to be free from disease the amount payable will be the market value of the cattle. If, after destruction, the cattle are found to be diseased, three-quarters of the market value mil be paid. It is provided that the market value of any one head of cattle is, for the purposes of the Bill, not to be deemed to be more than £20. Compensation for carcasses will be paid according to the scale prescribed by regulation. Market value is defined in clause 4 to mean the value of the cattle calculated as upon a sale with delivery at the place where the cattle are when ordered to be destroyed and as if the cattle were free from disease.

Clause 7 provides that the compensation payable is to be less the residual value of the cattle or carcass condemned, and the market value of the cattle and the residual value are to be determined by agreement between the owner and the inspector ordering the destruction, or failing agreement, by some competent or impartial person nominated by the Minister. Clause 8 deals with applications for compensation. Applications arc to be made by the owner within one month after destruction of the cattle, or the condemnation of the carcass. Compensation will not be paid if the head only of any carcass is condemned as unfit or where the owner of any cattle visibly affected with disease has failed to give notice pursuant to section 19 of the Stock and Poultry Diseases Act. In addition, the chief inspector must be satisfied that all cattle stamp duty has been paid as required by the Act. Compensation will not be payable in respect of cattle introduced into South Australia which are destroyed within one month after the introduction of the cattle, unless the chief inspector is satisfied that they became so diseased after being introduced or unless they are found to be free from disease. Clause 9 enables an inspector, when cattle are affected only with a localized form of disease, to require the owner to retain the cattle under such conditions as are prescribed. Clause 10 makes it an offence to traffic in diseased cattle or carcasses with a view to making claims for compensation.

Part III. deals with the Cattle Compensation Fund and cattle stamp duties. Clause 11 sets up a fund into which is to be paid all cattle stamp duties and penalties recovered under the Act. Clause 12 provides that every owner of cattle or the agent of any such owner shall, upon the sale of the cattle, make out a statement showing the number of cattle sold and the amount of purchase money. There is to be affixed to the statement cattle duty stamps to the required value which are to be cancelled by the vendor or his agent. Clause 13 fixes the rate of duty. For every £1 or part of £1 of the amount of purchase money, a stamp duty of one penny will be payable. The maximum amount payable in respect of any one head of cattle will be Is. 8d. It will be remembered that clause 6 provides that the maximum amount of compensation payable in respect of any head of cattle is to be £20, and the maximum amount of duty payable in respect of any one head of cattle therefore corresponds to the maximum amount of compensation. The average number of cattle sold annually over a number of years at the Metropolitan Abattoirs market and cow market is 114,241. Figures are not available for the number of cattle sold at country markets or in private sales, but a conservative estimate is that the number of those sales would be about 50 per cent, of those m the metropolitan sales. On this basis, there would be approximately 171,000 head of cattle sold per annum on which stamp duty would be payable. The average value per head of all classes of cattle is approximately £10 and with a stamp duty of one penny in the pound this would provide an annual revenue of approximately £7,000. It is estimated that compensation would be necessary in the case of about 650 to 700 animals per annum and based on the average value of £10 a head this would result in claims to approximately £5,000. On this estimate there would be left a reasonable margin to provide for unforeseen claims and the cost of administration. Costs of administration will be very low. The administrative costs of the Swine Compensation Act,, including the cost of printing stamps, is approximately £50 a year, and the scheme of that Act is similar to the scheme proposed by the Bill.

Clause 14 provides for the issue of cattle duty stamps by the Commissioner of Stamps. Clause 15 provides for the refund of duty in a case Where cattle are sold in the State and are then exported from the State. It frequently occurs that cattle are sold in South Australia and immediately exported to a neighboring State. In such instances, it is obvious that, although stamp duty would be payable on the sale, no corresponding benefit would accrue to the purchaser unless the cattle were condemned before leaving the State. The clause therefore provides that, if the Minister is satisfied that any cattle are sold in the State and that all cattle stamp duty has been pajd on the sale, and that within one month of the sale the cattle have been exported to any place outside the State and that the cattle have not subsequently been introduced or are likely to be introduced into the State, the Minister may direct that the amount of cattle stamp duty payable on the sale is to be refunded to the person by whom the cattle stamp duty was paid. Part IV. deals with miscellaneous matters.

Clause 16 gives the Governor power to make regulations dealing with such matters as the manner of making claims for compensa­tion and providing safeguards to protect the fund from imposition. Clause 17 provides that the costs of administration are to be paid from the fund. Clause 18 prohibits the existing practice whereby a charge is made at the metropolitan cattle market against the vendor for the purpose of providing an insurance fund to be applied in the interests of the purchaser. This clause is similar to section 18 of the Swine Compensation Act. If the compensation provisions proposed by the Bill are adopted, it is obvious that the existing practice should be brought to an end. Clause 19 is complementary to clause 18 and provides that any contract inconsistent with the Bill is, if made after the commencement of the Bill, to be void, or, if made before the commencement of the Bill, to cease to have further force. I move the second reading.

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