**CATTLE COMPENSATION ACT AMENDMENT BILL 1948**

**Legislative Assembly, 14 October 1948, page 997**

Second reading

**The Hon. Sir GEORGE JENKINS (Newcastle—Minister of Agriculture**)—The Cattle Compensation Act, 1939, establishes a fund into which is paid the proceeds of a stamp duty levied upon the sale of cattle. This fund is applied for the purpose of compensating the owners of cattle which are destroyed or the carcasses condemned because of disease. The diseases to which the Act applies are pleuropneumonia, tuberculosis, actinomycosis, and Johne’s disease. A similar compensation scheme with respect to swine is provided for in the Swine Compensation Act, 1936.

The purpose of this Bill is to make a number of amendments to the Cattle Compensation Act which have been recommended by the Chief Inspector of Stock. The most important of the amendments are contained in clauses 4 and 6. Under section 6 of the Act, it is provided that when an owner of cattle becomes entitled to compensation, he is to be paid the full market value of the cattle if the cattle after destruction are found to be free from disease as defined in the Act, and three-quarters of that value if the cattle are found to be so diseased. It is provided, however, that the maximum market value of any head of cattle is not to exceed £20.

Section 13 of the Act provides that, upon a sale of cattle, stamp duty is to be payable at the rate of one penny for every pound of the sale price, but the maximum duty on any such sale is not to exceed 1s. 8d., this being based upon a maximum sale price for stamp duty purposes of £20. Thus sections 6 and 13 are complementary and are both based upon a maximum market value for compensation purposes and a sale price for stamp duty purposes, of £20.

It has been suggested by the Chief Inspector of Stock that this present limit of £20 is now insufficient and that, in view of the increase in value of both beef and dairy herds of cattle over the past five years, and the excellent prospects ahead of the cattle industry, this amount should be increased to £30. Accordingly, clause 4 increases the maximum market value for compensation purposes to £30 and clause 6 increases the maximum duty payable on sale from 1s. 8d. to 2s. 6d., the latter figure, of course, being based upon a sale price of £30.

One of the diseases to which the Act applies is Johne’s disease and, where this disease is found in a herd, it is necessary to quarantine the cattle for up to five years for the reason that, as opposed to other ailments, the onset of this disease is a slow process and this period of time is necessary to ascertain whether or not cattle in the herd have become infected. During this period of quarantine, natural increases take place in the herd but, owing to the quarantine, the owner is unable to dispose of the increase in the normal way, but is permitted only to dispose of the cattle for slaughter. Clause 3 provides that in such a case, the owner may, with the consent of the Chief Inspector, dispose of any such quarantined cattle for the purposes of slaughter when the owner will be entitled to compensation as if the cattle had been destroyed by order of an inspector. The effect of this provision and the existing provisions of the Act will be that the owner will be entitled to compensation on the basis of the market value of the cattle and, in the case of dairy cattle, this will be the difference between the market value of the cattle as dairy cattle and the slaughter value of the cattle. Clause 2 makes a consequential amendment to the definition of “market value” in section 4 of the Act.

Section 8 now provides that, when an owner makes a claim for compensation, it is not to be paid unless the Chief Inspector is satisfied that the owner has paid all cattle stamp duty which he has been obliged to do and that he has otherwise complied with the Act. The purpose of this provision is to secure that, if an owner has not complied with the Act in respect of any transaction, he cannot expect to receive the benefits of the Act. It is proposed by paragraph (b) of clause 5 to provide that, instead of it being obligatory on the owner to satisfy the Chief Inspector in this manner, the provision in question should be drafted so that compensation is to be withheld if the Chief Inspector is satisfied that the owner has failed in his duty in this manner. This provision is complementary to paragraph (a) of clause 5, which provides that, instead of the owner having the general onus now provided for in section 8, the owner must satisfy the Chief Inspector that all cattle stamp duty was paid on the sale to the owner of the cattle in respect of which the claim for compensation is made.

Paragraph (c) of clause 5 provides that compensation is to be withheld if the Chief Inspector is satisfied that the owner claiming compensation by reason of any disease has failed to carry out any written instructions of an inspector for the control or eradication of disease and that the failure has been a probable cause of the cattle being affected by the disease. Obviously, if an owner has neglected to carry out proper precautions to control any disease and his cattle become affected because of that failure, the owner should not be entitled to compensation.

Further amendments are made by paragraph(c) of clause 5 relating to the payment of compensation on cattle imported into the State. The Act now provides that if cattle are destroyed within three months after being introduced into the State, compensation is not to be payable unless the Chief Inspector is satisfied that the cattle became diseased after their introduction into the State or unless, after destruction, the cattle were found to be free from disease. It is provided by clause 5 that a claim arising within the three months after the introduction of any cattle is not to be accepted unless stamp duty has been paid upon a sale of the cattle. The effect will be that, in order to secure his right to compensation, a purchaser of cattle in another State will be obliged to see that stamp duty is paid on the sale. If cattle are sold after being imported into the State, stamp duty would be payable under the existing provisions of the Act and the clause would therefore not affect the rights to compensation of any purchaser under such a transaction.

In one or more States there have been sales of cattle to South Australia, and the sellers have refused to pay the stamp duty on the sales. Then the question arose as to whether, if the cattle were sold or destroyed in South Australia, compensation should be paid although the fund had not benefited in any way. We could not compel an owner of cattle in another State to pay the cattle stamp duty because we have no jurisdiction over him, so this provision has been made to ensure that the fund shall be properly compensated, just as though the cattle were in South Australia. In other words, the purchaser must see that the seller pays the cattle stamp duty and the responsibility is upon him, if he wishes to obtain compensation in the event of the cattle being destroyed through disease.

Mr. O’Halloran—You claim that the transaction is completed by the South Australian purchaser and it is his responsibility to see that the stamp duty is paid?

The Hon. Sir GEORGE JENKINS—Yes. After all, it is a very small amount, and if the purchaser wishes to drive a hard bargain, he can insist on the seller paying the duty. Most of these purchases are effected through stock agents and they also will protect their clients.

The existing provisions of the Act relating to cattle introduced into the State make no reference to the condemnation of carcasses and the effect is that, if imported cattle are slaughtered within three months after introduction and the carcasses condemned, com­pensation is payable even though the fund has not benefited by the payment of cattle stamp duty on a sale of the cattle. It is therefore provided by clause 5 that, in the case of imported cattle which are slaughtered within three months after introduction and the carcasses of which are condemned because of disease, compensation will not be payable unless the cattle have been sold after introduction into South Australia and duty has been paid on the sale. In practice, cattle brought into the State for slaughter are generally sold before slaughter and it follows that the amendment proposed by clause 5 will not affect the existing rights to compensation of butchers who purchase cattle forslaughter in these circumstances. The amendment, however, will provide that, as a prerequisite to the right to compensation, there must have been a contribution to the fund by way of duty paid in respect of the cattle in question.

With regard to the earlier clauses, which dealt with the increased amount of compensa­tion payable under this legislation, members will appreciate the fact that dairy cattle have generally increased in value and for some considerable time dairymen and others concerned have been asking that the compensation should be raised from £20 to the higher figure I have indicated. It follows, of course, that to keep the fund solvent we must raise the amount of duty payable although it remains on the same basis, namely, 1d. in the pound. The maximum is increased from 1s. 8d. to 2s. 6d. which is 1d. in the pound on £30.

I think the House will appreciate the need for the review of this Act; I have brought down the Bill accordingly, and move the second reading.

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