so-called champions of small business will have to sit there. Where were they last week when we were talking about reducing the costs to the employers? They were saying nothing. I might add that—

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. R.R. ROBERTS: I did not hear the Chamber of Commerce and other people saying, 'We want you people to support this. We want you to duplicate your decision in the Lower House.' No, they were all sitting back waiting to see whether they could snatch the big prize. They did not just want to have these amendments; they wanted the big prize—government. They are not getting it and they will have to wait until February 1994. In the words of the Prime Minister, 'We will do you blokes, and we are going to do you slowly.' I support the second reading.

The Hon. CAROLYN PICKLES secured the adjournment of the debate.

PARLIAMENTARY COMMITTEES (PUBLICATION OF REPORTS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 November. Page 737.)

The Hon. J.C. BURDETT: I support the second reading of the Bill. The Bill provides that, if more than 14 days elapses from the day on which a report of a committee—whether a final report or an interim report—is adopted by the committee until the next sitting day of the committee's appointing House or Houses, the committee may present the report to the Presiding Officer or Officers of the committee's appointing House or Houses and the Presiding Officer or Officers may after consultation with the committee authorise the publication of the report prior to its presentation to the committee's appointing House or Houses.

A report so published will be deemed to be a report of Parliament and, therefore, will be published. The second reading explanation comments that all four committees created under the Parliamentary Committees Act have been more active than the committees that they replaced because of the additional roles given to them. My own comment is that in the case of the Social Development Committee it is, of course, a completely new committee.

It was pointed out in the second reading explanation that it is not in the best interests of communicating the work of Parliament to the public that during a long recess a report of a committee cannot be made public, which is the present position. It was also pointed out that the situation of its being desirable to publish a report without waiting until Parliament sits again is most likely to arise in the case of the Economic and Finance Committee, although I can easily envisage situations where it could be desirable for the other committees to have a report published during a parliamentary recess.

Interim reports, as well as final reports, are included in the operation of the Bill. I can envisage a situation where it might be desirable to publish an interim report for public comment outside a sitting time so that the committee will be in a position to make a final report to Parliament when it sits again. I cannot see any objection to the Bill because its provisions are not mandatory: it is entirely up to each committee as to whether or not it uses them.

One downside that I can see is that the report cannot be published without the cooperation of the Presiding Officer or Officers. The Presiding Officer or Officers are always going to be members of the Government Party, the Party of the day, or persons who have come to an understanding with the Government Party, and it is possible that a Presiding Officer may not give his authority to the publication of the report because of the potential for the report to damage the Government.

However, I do not see how this can be overcome, because the committees are committees of the Parliament and, if they do not report to Parliament, they must surely report to the Presiding Officers in lieu of Parliament. Also, I do not see this problem as being real because, except under extraordinary circumstances, I cannot see a Presiding Officer ever sticking his or her neck out by authorising publication of a report that a committee has asked him or her to publish.

It is possible to see other problems with the Bill. In regard to the Economic and Finance Committee of the House of Assembly, in particular, I see problems in some of the statements that have been made by the former Presiding Member of that committee that have not come to Parliament, so it has not been a question of reporting to Parliament but of press releases being made, of comments being made in the press and of Parliament having been bypassed.

I do see that as a problem, and Parliament will need to monitor the operation of this Bill when it comes into effect, but I do not see that as a reason for voting against the Bill, because any committee should be able to control its Presiding Member and, to me, it is not just the fault of the Presiding Member but of the committee if these things are allowed to happen, to go on happening and to remain unchecked.

As I see it, a Bill such as this is likely to render that kind of conduct less likely to happen in the future, because here is a way, presented with a procedure authorised by the Parliament, to present the reports to the Presiding Officer or Officers and for the Presiding Officer or Officers to have the right to authorise their release or not. If this Bill is passed there will not be the excuse, perhaps, that there has been in the past for a Presiding Member of a particular committee to make press releases, to go to the press, to have the media present during meetings, and so on, which there has been in the past.

While I do think that the Parliament ought carefully to monitor the situation when the Bill is passed, the Bill as it stands is reasonable and sensible, and I cannot see any objection to it. There is no reason why a report that is ready to be released should not be released out of sitting time and, in particular, as I said before, there is every reason why an interim report could be released out of sitting time so that there can be public comment and so that a final report can be presented as soon as Parliament reconvenes. I support the second reading of the Bill.

Bill read a second time and taken through its remaining stages.

DAIRY INDUSTRY BILL

The Hon. BARBARA WIESE (Minister of Transport Development): I move:

That this Bill be now read a second time.

In view of the lateness of the hour, I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

There are currently two State Acts covering the dairy industry in South Australia. These are the Metropolitan Milk Supply Act 1946 which covers the area from Meningie to Gawler and the Dairy Industry Act 1928 which covers the rest of the State. There is also Commonwealth legislation that levies all milk to support the lower returns received on export markets.

There is an increasingly national focus on returns from dairying and the legislation to achieve this. There is also a move in all States to reduce legislation in the dairy industry by giving more responsibility to the industry for its own pricing mechanisms and quality control.

The Dairy Industry Bill 1992 follows this national perspective and is in line with national requirements and pricing, particularly at the farm gate. The Bill repeals the Dairy Industry Act 1928 and the Metropolitan Milk Supply Act 1946 and allows the industry to take increased responsibility in quality control especially at the farm level.

Some of the provisions of the Bill are as follows:

The Dairy Authority of South Australia is established consisting of three members appointed by the Governor. There will be an orderly transition from the current Metropolitan Milk Board to the new Authority which will allow for industry to re-organise its staff requirements as they become more involved with responsibilities of quality and safety control through specific codes of practice.

Provision is made to set prices. However, as has been outlined in the White Paper, it is anticipated that these prices will be progressively removed so that from 1 January 1995, the only price control will be at the farm gate. However, in line with Commonwealth legislation, this farm gate price control may cease by the year 2000.

Provision is made to ensure that milk for market milk, no matter from where sourced or sold, is paid for at the declared farm gate price. This provision is to ensure national discipline as agreed to by all States.

Provision is made to allow for two (one cent) increases in the wholesale price of milk to be paid into a fund to be distributed to dairy farmers outside the current Metropolitan Milk Board area and so increase their farm gate price to the same as that received by dairy farmers in the Metropolitan Milk Board area. This provision will allow for a statewide farm gate price and not put at risk country milk processing plants.

Provision is made for the Minister of Primary Industries to have reserve powers in the event of a breakdown in an industry equalisation agreement.

Provision is made for unpasteurised milk to be sold which will need to meet satisfactory safety and labelling standards.

Provision is made for codes of practice to be administered by the various industry segments.

Provision is made for the milk testing equipment (currently the responsibility of the Metropolitan Milk Board) to be transferred to the dairy industry, as determined by the Minister in consultation with the industry. The benefits from herd recording cover all dairy farmers and provision is made for the industry to fund the replacement and operational costs of this equipment.

Staff currently employed by the Metropolitan Milk Board will be transferred to the Authority.

I commend the Bill to Members.

Part 1 of the Bill (clauses 1 to 3) contains preliminary matters.

Clause 1: Short title—This clause is formal.

Clause 2: Commencement—This clause provides for commencement on a day to be fixed by proclamation.

Clause 3: Interpretation—This clause contains definitions of words and phrases used in the Bill.

Part 2 of the Bill (clauses 4 to 11) deals with the Dairy Authority of South Australia.

Clause 4: Establishment of the Authority—This clause provides that the Authority is established as a body corporate and an instrumentality of the Crown.

Clause 5: Ministerial control—This clause provides that the Authority is subject to control and direction by the Minister.

Clause 6: Composition of the Authority—This clause provides that the Authority consists of 3 members appointed by the Governor of whom at least 1 must be a person with wide experience in the dairy industry.

Clause 7: Conditions of membership—This clause provides that a member of the Authority is appointed for a term not exceeding 3 years and is eligible for reappointment. The terms for removal from office are set out as are the reasons why such an office may become vacant.

Clause 8: Remuneration—This clause provides that a member of the Authority is entitled to such remuneration, allowances and expenses as may be determined by the Governor.

Clause 9: Disclosure of interest—This clause provides that a member who has a direct or indirect private interest in a matter under consideration by the Authority must disclose the nature of the interest to the Authority and must not take part in any deliberations or decision of the Authority in relation to that matter. Failure to comply with proposed subsection (1) carries a penalty of a fine of $8 000 or imprisonment for 2 years. Proposed subsection (2) provides that it is a defence to a charge of an offence against proposed subsection (1) to prove that the defendant was not, at the time of the alleged offence, aware of his or her interest in the matter.

If a member discloses an interest in a contract or proposed contract under this proposed section and takes no part in any deliberations or decision of the Authority on the contract, the contract is not liable to be avoided by the Authority and the member is not liable to account for profits derived from the contract.

Clause 10: Members' duties of honesty, care and diligence—This clause provides that a member of the Authority must at all times act honestly in the performance of his or her official functions. The penalty for an offence is divided as follows:

- if an intention to deceive or defraud is proved— the penalty is a $15 000 fine or imprisonment for 4 years or both;
- in any other case—the penalty is a $4 000 fine.

Subclause (2) provides that a member of the Authority must at all times exercise a reasonable degree of care and diligence in the performance of his or her official functions. A fine of $4 000 may be imposed for failure to comply with this duty.

Subclauses (3) and (4) provide for penalties of a $15 000 fine or imprisonment for 4 years or both where—

- a member of the Authority makes improper use of his or her official position to gain a personal advantage for himself, herself or another or to cause detriment to the Authority; or
- a member or former member of the Authority makes improper use of information acquired through his or her official position to gain directly or indirectly a personal advantage for himself, herself or another, or to cause detriment to the Authority.

Clause 11: Proceedings—This clause sets out the procedures of business conducted by the Authority, including the quorum necessary (2 members) and voting rights (1 vote per member and the presiding member has a casting vote if necessary). A decision carried by a majority of the votes cast by members at a meeting is a decision of the Authority. The Authority may conduct a meeting via a telephone or video conference. The Authority must cause accurate minutes to be kept of its proceedings.

Part 3 of the Bill (clauses 12 to 16) deal with the functions and powers of the Dairy Authority of South Australia.

Clause 12: Functions of the Authority—This clause provides that the Authority's functions are—

- to recommend the imposition, variation or removal of price control in respect of dairy produce under this Act;
- to determine the conditions and the fees for licences to be issued under this Act;
- to approve, provide, or arrange for the provision of, training programs for implementing appropriate standards and codes of practice for the dairy industry;

- to grant, or arrange for the granting of, certificates to persons who successfully complete training programs approved by the Authority;
- to monitor the extent of compliance by the dairy industry with appropriate standards and codes of practice; and
- to carry out any other functions assigned to the Authority by or under this Act or by the Minister.

Clause 13: Powers of the Authority—This clause provides that the Authority has the powers necessary or incidental to the performance of its functions and may, for example—

- enter into any form of contract or arrangement;
- employ staff or make use of the services of staff employed in the public or private sector;
- engage consultants or other contractors;
- delegate any of its powers to any person or body of persons.

Subject to the transitional provisions, an employee of the Authority is not a member of the Public Service, but the terms and conditions of employment of any such employee must be as approved by the Minister.

Clause 14: The Dairy Authority Administration Fund—This clause provides that there is to be a fund called the Dairy Authority Administration Fund which consist of all fees and charges recovered under this Act, all penalties recovered for offences against this Act and any other money appropriated by Parliament for the purposes of the Fund. The fund is to be applied towards the costs of administering this Act.

Clause 15: Accounts and audit—This clause provides that the Authority must keep proper accounting records of its receipts and expenditures, and must, at the conclusion of each financial year, prepare accounts for that financial year. The Auditor-General may audit the accounts of the Authority at any time and must audit the accounts for each financial year.

Clause 16: Annual Report—This clause provides that the Authority must, on or before 31 October in every year, forward to the Minister a report on the administration of this Act during the year that ended on the preceding 30 June. The report must include the audited accounts of the Authority for the relevant financial year and must be laid before Parliament within 12 sitting days after receipt by the Minister.

Part 4 of the Bill (clauses 17 to 27) deals with the regulation of the dairy industry.

Clause 17: Licences—This clause provides for licences of the following classes:

- dairy farmer's licence;
- processor's licence; and
- vendor's licence.

It is an offence for a person to carry on business as a dairy farmer, processor or vendor unless that person holds an appropriate licence. The penalty for such an offence is a fine of $8 000.

Clause 18: Issue of licences—This clause provides that the Authority may, on receiving an application for a licence, issue the licence.

Clause 19: Licence fee—This clause provides that a person who holds a licence must pay periodic licence fees in accordance with the regulations and if a periodic fee payable by the holder of the licence is in arrears for more than 3 months, the Authority may, by written notice given to the holder of the licence, cancel the licence.

Clause 20: Conditions of licence—This clause provides that a licence may be issued on such conditions as the Authority thinks fit and that the Authority may, by written notice to the holder of a licence, add to the conditions of the licence or vary or revoke a condition of the licence. A person who holds a licence who contravenes or fails to comply with a condition of a licence is liable to a fine of $8 000.

Clause 21: Transfer of licence—This clause provides that a licence may be transferred with the consent of the Authority.

Clause 22: Revocation of licence—This clause provides that the Authority may revoke a licence if the holder of the licence ceases to carry on the business in respect of which the licence was issued or the holder of the licence contravenes or fails to comply with a condition of the licence.

Clause 23: Price control—This clause provides that the Minister may, on the recommendation of the Authority, publish an order fixing a price for the sale of dairy produce of a specified class. An order under this section—

- may apply generally throughout the State or be limited, in its application, to a particular part of the State;
- may apply generally to the sale of dairy produce of the relevant class or may be limited to sale by retail or by wholesale or to sale by licensees of a particular class or by reference to any other factor;
- may, by further order, be varied or revoked.

This clause further provides that an order under this proposed section fixing a price to be paid to processors for market milk may be subject to a condition, stated in the order, requiring that a specified proportion of the price paid for the milk be paid into a fund to be established by the processors and applied by them, as directed by the Minister, towards enabling them to pay the farm gate price for milk to dairy farmers who would not otherwise receive that price for such milk.

Clause 24: Non-compliance with price-fixing order—This clause provides that a person who carries on a business involving the sale of dairy produce must not sell dairy produce to which the order applies for a price that differs from the price fixed in the order. A fine of $8 000 is fixed for non-compliance with this provision. For the purposes of determining the price for which dairy produce is sold, any contractual arrangement which provides in effect for a remission of price or a premium on the price, will be taken into consideration.

Clause 25: Guarantee of adequate farm gate price—This clause provides that a person must not process milk in the State for the purpose of manufacturing market milk unless the raw milk was purchased from a dairy farmer (either within or outside the State) at or above a price determined by the Minister on the recommendation of the Authority as the farm gate price for milk. A fine of $60 000 is the penalty for non-compliance with this provision.

It is further provided that a person must not sell market milk unless the market milk was produced from raw milk purchased from a dairy farmer (either within or outside the State) at a price determined by the Minister on the recommendation of the Authority as the farm gate price for milk. (Penalty: $60 000).

The Minister may, on the recommendation of the Authority, by notice in the *Gazette*—

- determine a farm gate price for milk to be used for manufacturing market milk; or
- vary or revoke a previous determination under this proposed subsection.

If there is a general consensus throughout Australia on what an appropriate farm gate price for milk should be, the Authority's recommended farm gate price should reflect that consensus.

Proposed subsection (5) provides that this section does not apply in relation to raw milk sold under a contract that was in existence at the commencement of this Act unless the Minister, by notice published in the *Gazette*, otherwise determines.

Clause 26: Equalisation schemes—This clause provides that the Minister may, on the recommendation of the Authority, establish a price equalisation scheme that is binding on dairy farmers and wholesale purchasers of dairy produce of a class stated in the scheme. Such a price equalisation scheme may impose a surcharge on licence fees on licensees who are bound by the scheme. The terms of any such scheme are to be published in the *Gazette* and the Minister may, on the recommendation of the Authority, by further notice, amend or revoke the scheme.

Any scheme under this proposed section, or an amendment to such a scheme, must be laid before both Houses of Parliament and is subject to disallowance in the same way as a regulation.

This clause further provides that a price equalisation scheme cannot be established if a voluntary price equalisation scheme is currently operating binding dairy farmers and wholesale purchasers of dairy produce throughout the State.

Clause 27: Non-compliance with scheme—This clause provides that a person who sells or purchases dairy produce contrary to the terms of a price equalisation scheme that is binding on that person is guilty of an offence and liable to a fine of $8 000.

Part 5 of the Bill (clauses 28 to 33) contains miscellaneous provisions.

Clause 28: Advisory and consultative committees—This clause provides that the Minister may establish committee(s) of representatives of the dairy industry to obtain advice and facilitate consultation as to any matters relating to the industry or the administration of this Act.

Clause 29: Powers of inspectors—This clause provides that an inspector may enter and inspect any dairy farm or other premises in which dairy produce is produced, processed, stored or kept for sale in order to determine whether appropriate standards and codes of practice are being observed and may take samples of any such dairy produce in order to determine whether the dairy produce complies with standards in force under this Act.

This clause further provides that an inspector (or a person assisting an inspector) who while acting or purporting to act in the course of official duties uses offensive language or hinders or obstructs, or uses or threatens to use force against, some other person knowing that he or she is not entitled to do so, without a belief on reasonable grounds that he or she is entitled to do so, is guilty of an offence. (Penalty $8 000).

Clause 30: Hindering inspectors—This clause provides that a person must not hinder or obstruct an inspector in the exercise of powers conferred by this Act. The penalty for an offence against this clause is a fine of $8 000.

Clause 31: Protection of staff—This clause provides that an inspector or other person engaged in functions related to the administration or enforcement of this Act incurs no civil liability for an act or omission in the course of the performance or purported performance of those functions.

Clause 32: Review of Act—This clause provides that the Minister must at the end of 3 years from the commencement of this Act review the operation of this Act the report of which review must be prepared and laid before both Houses of Parliament.

Clause 33: Regulations—This clause provides that the Governor may make regulations for the purposes of this Act.

The schedule of the Bill contains repeal and transitional provisions.

The Hon. R.I. LUCAS secured the adjournment of the debate.

CONSTRUCTION INDUSTRY LONG SERVICE LEAVE (MISCELLANEOUS) AMENDMENT BILL

The House of Assembly intimated that it had disagreed to the Legislative Council's amendments.

STAMP DUTIES (PENALTIES, REASSESSMENTS AND SECURITIES) AMENDMENT BILL

Received from the House of Assembly and read a first time.

MOTOR VEHICLES (CONFIDENTIALITY) AMENDMENT BILL

Returned from the House of Assembly with an amendment.

STATUTES AMENDMENT (RIGHT OF REPLY) BILL

Returned from the House of Assembly without amendment.

ADJOURNMENT

At 11.20 p.m. the Council adjourned until Wednesday 18 November at 2.15 p.m.

The Hon. K.T. GRIFFIN: I am being serious—

The Hon. Carolyn Pickles interjecting:

The Hon. K.T. GRIFFIN: To be serious about that interjection, as I understand it, the objection to so-called topless waiting is to the exposure of a person's private parts, whether it be chest or otherwise. If one talks about partial nudity, one has to relate that definition to that exposure, and I think the same applies to 'transparent clothing' because one can have transparent clothing that does not necessarily expose those parts of the body in respect of which the concern has been expressed.

The Hon. Barbara Wiese interjecting:

The Hon. K.T. GRIFFIN: That is possible. It is Government legislation, and I am simply flagging—

Members interjecting:

The Hon. K.T. GRIFFIN: You can talk about it later. That is what I understand to be the concern. If you talk about partial nudity, one can then extend that to the stage, to the Australian Dance Theatre—

An honourable member interjecting:

The Hon. K.T. GRIFFIN: It may be perfectly proper, but I am saying that the breadth of this clause is such that a dancer who is covered by the relevant industrial award is required to work partially nude. If the Australian Dance Theatre is okay, fine. I am just trying to raise the issue that employers have raised about the potential for this to be the subject of litigation. It seems to me that, if one focuses on the real concern, it is more likely to limit the extent to which their might be litigation, and the same in relation to transparent clothing, because we can have transparent clothing that does not expose those parts of the body whose exposure is causing the particular concern. It is interesting to note that this issue was raised at the ALP State convention and, as I understand it, the Attorney-General was one of those—

The Hon. Carolyn Pickles: Long before then—

The Hon. K.T. GRIFFIN: No. The Attorney was suggesting that this should not be the subject of regulation, at least on an earlier occasion, but the State convention did take the decision to move in the direction encompassed in this Bill. It is interesting to note also that the *Advertiser* newspaper in July 1989 in its editorial referred to 'moral totalitarians', referring to—

The Hon. R.I. Lucas interjecting:

The Hon. K.T. GRIFFIN: No, this is 1989—a view opposed to so-called topless waitressing. I refer also to a later editorial which was published on 8 October 1992 and which says, 'Bar workers should not be sex objects.' So, there is obviously a difference of opinion on whether or not this should be the subject of some provision in this legislation.

I suppose the difficulty is that, with the Chamber of Commerce and Industry and the Employers Federation arguing that it should not be in the Act, they are acknowledging that there is power in the Industrial Commission to deal with this if that is an issue that the parties before it wish to make the subject of regulation.

As I say, it has been controversial, and there are those who argue that they make a choice to work topless and that they ought to be entitled to exercise that right of choice. I certainly acknowledge, on the other hand, that there are those who might have no other option for work but to work in that condition of partial nudity.

Most people will know my personal views on this subject. I think the Hon. Anne Levy described them in puritanical or Calvinistic terms the other day on another issue. In relation to censorship, I have been very strongly of the view that pornography ought to be much more severely restricted than it is. I do not have the hang-ups with censorship that some members on the other side or their predecessors have had from time to time, because I think that standards do need to be set. My personal view is very much opposed to the abuse of men and women who are required to perform in this state of undress.

However, I must say that the formal position of the Liberal Party is that this should be left to the industrial jurisdiction and for the parties to make their own judgment before the Industrial Commission. To that extent the formal view of the Liberal Party is that this provision is not necessary in the legislation.

The Hon. Carolyn Pickles interjecting:

The Hon. K.T. GRIFFIN: I think we have to recognise that it is our parliamentary Party that makes the policy decisions. The organisation wing of the Party does not make policy. The Labor Party is bound by its State conventions—and we saw that last weekend at its State Convention. I have made it clear that this is a controversial issue. I think in the terms of the principle there is no difference between the Liberal Party and the Labor Party, that if Parties make submissions to the Industrial Commission and the commission believes it appropriate to do so, then provisions can be made. The difference is whether or not it should be in this legislation and, as I have indicated, everyone knows my views on the issue of exploitation.

The Hon. T. Crothers: We will come to that when I make my contribution.

The Hon. K.T. GRIFFIN: That's fine. Honourable members will be pleased to know that there are not many other matters I wish to address at this stage of the debate. I want to make passing reference to agreements which this Bill seeks to develop and which it does limit to agreements between associations and employers. I have already made the point that we do not support that limitation and will be moving to extend it. Pertinent to that is the recent International Labour Organisation decision which was reported on 13 November, where the Australian Chamber of Commerce and Industry took to the ILO in Geneva the Federal Government's legislation which sought to establish super unions. The ILO decided that such mandatory creation of large unions by legislation was contrary to the ILO Convention on freedom of association principles, and that workers ought to have a choice, and if the wish to join a small union they can do so and if they wish to join a large union they can do so.

It is interesting to note that there are unions as small as 100, and another of 30, that were held not necessarily to be in accordance with the ILO convention. What I would be seeking to do is extend the arguments used in that to the issue of agreements, because if agreements are required to be made between associations and employers then it must logically follow that any law that prevents an agreement between an employee and an employer is contrary to the ILO convention, because it has the convention of compelling a person to join a union if that person wishes to be party to an agreement. So in relation to that area we will seek to extend that in the course of Committee consideration.

In respect of registered agents, there is a provision for a more formal procedure for establishing a registry of agents. There is a regulation making power which enables standards to be set and discipline to be applied. I think that is an area that does need some amplification and what I would like from the Minister in reply is some clarification of the difference between the registered agent and an agent, whether agents employed by unions and employer organisations have to be registered, and the procedural proposals by which agents will be recognised, the code of conduct by which they will have to comply and the procedures for discipline and disbarment.

There is a concern among employers about the requirement (under clause 32) which stipulates that employers must keep certain superannuation records. The Chamber of Commerce and Industry is of the view that the provision is unnecessary absolutely, given that the recording requirements under superannuation law do require fund members to receive half yearly or annually reports on superannuation accounts from fund managers. Under the superannuation guarantee legislation there is a whole series of obligations required to be met by trustees, and seeking to add to those obligations under this legislation is going to create an unnecessary burden on employers.

Looking at the provision in the Bill, it will be a nightmare for those employers who are required to comply with that provision. The South Australian Employers Federation has the same view, because again they see the burden that it will create for employers, but with no necessary advantage to employees. Employees' interests are protected under Federal legislation, and they do have a right to information that is required to be provided under the Federal legislation.

Insofar as family leave is concerned, this is an extension to those general provisions which presently have been incorporated in awards. I will be asking some questions about that in the Committee stage, particularly about the relationship between those provisions and section 25a, which allows the Industrial Commission to make some generally applying provision across the State, and also I understand there is some inconsistency with the recent Federal test case decision, and I would like to know why the Government has decided to follow a New South Wales provision for family leave rather than the Federal test case provision.

The only other matter concerns the question of conscientious objection. My colleague the Hon. Rob Lucas will deal with that in more detail, suffice it to say that there had been representations made to us in several areas where we believe there is some merit in seeking to clarify the rights given to conscientious objectors, for example, in the area of victimisation. Section 144 provides that an employer may not victimise, but makes it makes no reference to an association, and that certainly ought to be included. There is also a provision for access to premises where there are conscientious objectors and where in fact there are no members of a particular employee association and we will be seeking to address that issue.

Other areas will be subject to amendment and will seek to reinforce the conscientious objection provisions of the legislation in the areas I have indicated and those matters will be addressed further by my colleague the Hon. Mr Lucas. It is on the basis that I have indicated that we will support the second reading of the Bill. We will seek to move amendments. If not successful, at the third reading stage, we are likely to oppose the third reading of the Bill.

The Hon. DIANA LAIDLAW secured the adjournment of the debate.

DAIRY INDUSTRY BILL

Adjourned debate on second reading.

(Continued from 17 November. Page 835.)

The Hon. J.C. IRWIN: I support the second reading, as does the Opposition. The Dairy Industry Bill is to regulate the dairy industry, to establish the Dairy Authority of South Australia, to repeal the Dairy Industry Act 1928 and the Metropolitan Milk Supply Act 1946 and for other purposes. Currently two State Acts cover the dairy industry in South Australia and I have mentioned them already: the Metropolitan Milk Supply Act, which covers the area of the State from Meningie to Gawler, and the Dairy Industry Act covering the rest of the State. We also have Commonwealth legislation that levies all milk to support lower returns received on export markets. There is an increasing national focus on returns from dairying and legislation to achieve it. There is a move in all States to reduce legislation in the dairy industry and this Bill is in line with national requirements and pricing, particularly at the farm gate.

The Victorian Parliament is debating its dairy legislation at the same time as we are debating ours—in fact, it may have already completed its debate. The purpose of this Bill is to reduce legislation in the dairy industry and give more responsibility to the industry for its own pricing mechanism and quality control. Provision is made to allow for two 1c increases in the wholesale price of milk, to be paid into a trust fund to be distributed to dairy farmers outside the current Metropolitan Milk Board area, increasing their farm gate price to the same as that received by dairy farmers in the metropolitan area. This provision will allow for a State-wide farm gate price and not put at risk country milk processing plants. It is anticipated that these prices will be progressively removed so that from 1 January 1995 the only price control will be at the farm gate. However, in line with Commonwealth legislation farm gate price control may cease by the year 2000.

Provision is made to ensure that milk for market milk, no matter from where it is sourced or sold, is paid for at the declared farm gate price. This provision is to ensure national discipline as agreed to by all States. Provision is also made for the Minister of Primary Industries to have reserve powers, should there be a breakdown in the equalisation agreement, a code of practice to be administered, milk testing equipment to be transferred to the dairy industry and staff currently employed by the Metropolitan Milk Board to transfer to the authority. The benefit from herd recording will cover all dairy farmers

and provision is made for the industry to fund the replacement and operational costs of the equipment.

The last time that I can recall debating a dairy Bill was when we considered amendments to the Metopolitan Milk Supply Act of 1987. Debate then was about giving the Minister power to declare a maximum only price for milk if the industry was threatened by a discounting war using interstate milk. One supermarket chain was in fact trying to do that at the time. The whole national debate on industry protection has come a long way since 1987. Indeed, the debate so far with regard to protection of the dairy industry has been on the agenda since the second world war. The dairy industry is a classic example of the problems confronting Australian industry, be it primary or secondary, with a relatively small home population and production in excess of home market needs. This surplus needs to be sold on an overseas market in competition with other domestic suppliers and other countries' surpluses.

The Australian dairy industry has for many years been subject to artificial plans and Government intrusion. It has to be said that in line with other industries the dairy industry has not been backward in seeking Government protection. I make the point that the first dairy subsidy plan—

The Hon. M.J. Elliott: As distinct from support?

The Hon. J.C. IRWIN: I will reiterate what I said: the dairy industry, like others, has not been backward in seeking protection and support.

The Hon. M.J. Elliott interjecting:

The Hon. J.C. IRWIN: It may well be and I will come to that later. I started by going through what was fairly obvious—that two Acts on the domestic market are being taken away by this legislation and one gave protection to the metropolitan area. It is like the old Samcor Act, which protected meat in the metropolitan area. No abattoir in the South-East was allowed to bring meat into the metropolitan area. It was an absolute nonsense. Previously I gave an example in this Chamber of Premier Dunstan saying to the principals of Tatiara Meat in Bordertown, one of the best exporting abattoirs in the world, when it was to set up, that they should go to Victoria and set up as it would then have access to the South Australian metropolitan area. They said that they were butchers in Bordertown and did not want to go to Victoria. Luckily they persisted and the metropolitan protected area for meat disappeared some years ago. At last milk is catching up with it. That is what I am talking about with regard to protection on the domestic market. Other arguments relate to the overseas market and I will come to those.

The first dairy subsidy plan was made during the second world war and 47 years later we are staring at the Kerin plan as it changes to the Crean plan. The Government intervened during the war to subsidise dairying from general revenue rather than allowing an increase in dairy product to force up the cost of living, which the Government was desperately trying to hold down. In 1962 the Federal Parliament was debating the McCarthy dairy report, which advised the then Government not to continue the butter bounty but to use the bounty money to encourage dairy farmers to leave the industry. Even before the EEC was born, it was clear that there was no long-term future for our butter exports. When the EEC became a reality it wantonly subsidised its own products (and still does, with France at the forefront not only on butter products but in plenty of other areas) to such an extent that it obliterated the world dairy market.

My friend and former member for Wakefield, the Hon. Bert Kelly, a well-known crusader in this debate over many years, had this to say in 1962:

> It was fundamentally foolish to encourage, by paying the bounty, the production of increased quantities of butter which we knew we could have increased difficulty in selling, so we should do what the McCarthy Committee advised.

If in 1962 we had subsidised our milk prices down, as occurred in New Zealand at the time, instead of up, as we were doing in Australia, we would probably have consumed all the dairy products that we produced and we would have had to import butter. That is not so silly now when we look at it. This lesson has at last sunk into the minds of our masters who designed the various dairy plans. Quite simply, our market milk policies keep milk prices up. They disregard section 92 of the constitution and so limit the demand for milk, comfortable as it is for a few but damn silly for the great majority of people in this country, consumers and producers as well.

In 1984 the IAC summed up the market milk situation as follows:

> Currently about 30 per cent of milk produced is market milk and this provides some 50 per cent of returns to dairy farmers. The supply and distribution of milk is extensively regulated by State Government legislation. The effect of this regulation has been to maintain high and stable prices for market milk. The commission has estimated that in 1981-82 this involved an income transfer of between $70 million and $100 million or 4.5c and 6.5c a litre of milk.

That is what I was saying to the Hon. Mr Elliott earlier. In 1981-82 there was a transfer helping the dairy industry to the extent of between $70 million and $100 million in those days, which was 4.5 to 6.5c a litre of milk. The IAC continues:

> This estimate is supported by data on the prices paid by farmers for the rights to supply the fluid milk market. The commission could find no justification for a transfer of this magnitude in terms of ensuring satisfactory hygiene and compositional standards or in high costs of producing adequate supplies of market milk. The commission also questions the need for Governments to ensure stable consumer prices all the year round.

That almost echoes what some of us were saying with regard to the egg legislation: that there is this phobia about people having to have fresh eggs every day of the year in the quantities that they demand rather than what nature will produce. It is probably the same for the fruit industry and many other industries which are seasonal, but there is the ability, through better management techniques, to try to get a constant supply throughout the year.

I suggest that this $70 million to $100 million transfer meant unduly high prices in 1984. One more important point that has been building since the mid-1940s and not often understood is that a subsidised dairy product has the effect of flowing to an excess in the price of land. For all sorts of reasons that is counter productive. It is particularly counter productive when we are trying to encourage young people to come on to the land, if the price has been inflated because of a flow-on of artificial measures. There is no doubt in my mind, along with many others, that this has happened between the mid-1940s and the present time. In and around 1987 the Hon. Kym Mayes was Minister of Agriculture and the Parliament was subject to a number of attempts to deregulate a variety of rural products. The Government was more intent then on testing the Opposition's resolve to support the Opposition's general policy on deregulation than a genuine belief that deregulation in itself was a good thing. History shows that the Opposition, and indeed the Democrats, were not very cooperative in relation to some of the Government's attempts to deregulate rural industries. Our consistent concern was more about the way that the deregulation was proposed. We were also consistent in our insistence that, if rural industries were to be deregulated, many other areas should be deregulated, including the labour market.

As I said earlier, much has happened since 1987. It is fair to say that the debate on protection and deregulation, including the labour market, has been won. Of course, differences will remain about degree and timing. As an aside, I am getting more than a little tired of hearing the ABC doing the bidding for the Federal Government on a daily basis. Today, for instance, we saw the results of a recent survey on car tariffs where a clear majority supported or at least understood tariff reduction. I was glad to hear that those who were interviewed on the ABC this morning, despite the ABC's thinking it might go the other way, rejected its line. It is about time that that so-called responsible body started to put a few broad and balanced views to the people of Australia rather than taking the Government's line every time.

The Hon. T.G. Roberts interjecting:

The Hon. J.C. IRWIN: It is pretty clear if you listen to what they say on a daily basis. It was evident this morning, 'Whacko, there is something in the paper about tariffs, so we will just bang it on the ABC again.' What do we find? At half past eight this morning we had another discussion about tariffs.

The Hon. T.G. Roberts: They said it was a confusing poll.

The Hon. J.C. IRWIN: The poll was fairly clear to me. It was clearly a majority of those who understood that tariffs were damaging. The man from Mitsubishi said, 'Yes, it means a saving of $2 000 per car.'

The Hon. T.G. Roberts: The breakdown between Western Australia and South Australia—

The Hon. J.C. IRWIN: I am talking about what I saw with regard to South Australia which brought this program on this morning. As I said, it was an aside.

With the Milk Supply Act in 1987 we supported the deregulation moves, and it is pleasing to see this legislation taking the process further and we can expect to see the removal of the levy on the wholesale price of milk by 1995 and the total abolition of the farm gate price in every State by the year 2000. I am comfortable in believing that the measures contained in this Bill are not confrontationist; they are not some smart alec attempt to score points for the sake of scoring points. The position arrived at in this Bill is one of common sense and an acknowledgment of reality. This may be one small example of reality, but if we fail to move in the direction of this Bill and, indeed any other deregulation measure, we will be setting the State back and impeding the development of proactive and vital enterprises.

No longer can we afford to create convenient comfort zones where some of our community live off the efforts of others. There are many players in the dairy industry—producers, transporters, manufacturers, retailers, wholesalers, vendors, standards administrators, consumers and probably others. There will inevitably be winners and losers, but with the time scale indicated in this legislation all sectors should have the time to adjust and make long term decisions. The Bill is the result of a long gestation period, and I am satisfied that all sections have had ample opportunity to consult and be consulted.

I pay a tribute, as did my colleague the shadow Minister (Dale Baker) to the Minister of Primary Industries (Terry Groom) for the way that he has gone about achieving one of the first pieces of legislation since he was made a Minister. His approach as a Minister is refreshing and a great improvement on the experiences of the late 1980s. I do not include the current Premier in my criticism when he was Minister of Agriculture until recently.

There are three basic uses of milk. In South Australia about 143 million litres of milk is produced annually for the fresh milk market. There are at present about 900 dairy farms in South Australia. Approximately 411 million litres of milk is produced in South Australia. If we extract from that the 136 million litres which are used for fresh milk, it can be seen that a substantial portion of the milk is used for manufacturing purposes to produce cheese and butter. Some 250 million litres is used for cheese and butter and 24 million litres is used for flavoured milk, a total of about 275 million litres.

There are two parts in this regulated market. First, there is the fresh milk market, which provides milk for consumption across the State. The same thing occurs in all States. The dairy farmer is paid 44.6c a litre for that milk. For producing the milk used for manufacturing cheese, butter and other products, the farmer receives about 20c a litre. Given the protected local market, which will continue to be protected with the farm gate price and the export market, the dairy farmer gets an average price.

It is interesting to note that Australia exports about $11 million worth of dairy products. We are one of the most efficient dairy nations in the world, and that is a tribute to the dairy farmers of South Australia and indeed Australia. One class in the manufacturing milk market is particularly important from the producer's point of view, and I refer to the flavoured milk market, which has been developed by some major companies in Australia and which has become a large portion of the non-alcoholic drink market in this country. It is a very good product. I guess some of the younger members of our families, our wives and others have a very keen preference for one or another of the brands of iced coffee, iced chocolate or custard.

The Hon. T.G. Roberts: You wouldn't get a marketing manager's job out of that one.

The Hon. J.C. IRWIN: In fact, I am not even game to drink it now, much as I like it. That is why I am the size I am: because of the quantity of milk I have consumed throughout my life. I am trying not to drink any more; I am trying to wean myself. One of the reasons this market

has been developed is that the processors around Australia have been buying that milk at manufacturing price—approximately 20c a litre—and that has given them the margin to advertise the product and has allowed them to sell the product at a price that makes flavoured milk competitive in the soft drink market. That is very important in the overall scheme of the milk industry in Australia, particularly in South Australia, because both major producers in the State are very active in the flavoured milk market and their brand names are well known.

Beginning with the Kerin plan at least 10 years ago, attempts have been made to rationalise the dairy industry Australia-wide, and I welcome these attempts. Nationally we are looking at a farm gate price which the producer will be guaranteed for his fresh milk, and there will be a negotiated price for the manufacturing milk. That will not vary much around the major dairying States in Australia. What we are trying to achieve in Australia is a common farm gate price so that milk can move freely across borders. At present in South Australia there are three distinct areas, and milk cannot move amongst these. The aim around Australia is that fresh milk and manufacturing milk can move; flavoured milk, which will become a bigger part of our daily diet in the future, will be bought at a price that makes it competitive.

At the end of the day, with all that deregulation going on, if it is done in a commonsense way, the dairy farmer in Australia, and most decidedly in South Australia and Victoria, will receive an average farm gate price that not only makes their industry viable on the local market but that also makes us very competitive in the export market. I have no doubt that, when one looks, as I have looked, at the various production areas around South Australia as they are divided up in the South-East, the Jervois Flats, the Riverland, the Mid North and other areas within the State and some of their production costs and returns per hectare and per cow, one sees that that may change dramatically in the years between now and 1995, although it may not be dramatic at that stage.

However, by the year 2000 there may well be a different mix because different calculations will be made and, with the reality of the year 2000 in mind, calculations will be made on where is the best and most efficient place in South Australia to produce milk, bearing in mind that, as with the domestic international problem, the problem is the same in a smaller area of the State where there is a domestic market, say, the South-East. However, they then have a surplus which needs to go to the higher population areas. The same applies, no doubt, with the Riverland and the Mid North, where they have a domestic area of daily milk market, and the rest of it needs to be sent somewhere else.

I had a 50 cow dairy at one stage with a ridiculous situation of Friesian dairy cows producing cream for the local cream factory, with milk coming out of my ears. I also had pigs which I was fattening and breeding with this excess milk. So, I declare an old interest in having something to do with the dairy industry in a very small way years ago. I had a share farmer working for me; he was a most diligent person who, with his wife, got up at 5 a.m. and who finished their work at 7 p.m. seven days a week. At the end of two or three years, I said to them, 'Do you want to go on? I calculate that your average hourly work is bringing you 20c an hour. Although you love the animals and you are doing a fantastic job and I will support you as long as I can, do you really want to go working at 20c an hour for that amount of work?' They decided not to, so I wound up my exercise in the dairy industry.

I would say that there would be a lot of other people making that decision over the next few years after very carefully doing their costings and working out how this new system will work. I do not think it will involve dramatic moves, but I am sure that there will be moves to areas where dairying can be most efficiently done, and that will be where most of the milk will be produced.

Under the Bill, instead of having three distinct areas in South Australia, it will take the boundaries of those areas right away from the boundaries of the State. That cannot be done overnight, because some people will be disadvantaged. I acknowledge the Hon. Ron Roberts' interest in this area and his concern because of the pressure of the Golden North processing plant at Port Pirie. We cannot take away or alter the market share of the major producers or manufacturers overnight, because that would cause disruption to the market.

I have always said that, when deregulation is occurring or tariff barriers are coming down, it should not be done overnight; it should be a slow, predictable process. This looks to have that same mould of 1995 and the year 2000. So, it is proposed that we will have what is called an equalisation scheme and that it will take two years until 1 January 1995 until that scheme finds a level that will allow the Government of the day to deregulate the wholesale price of milk. After 1 January 1995 there will be a farm gate price from market milk set by the Minister. There will be a negotiated manufacturing price, but there will be no controlled wholesale price for milk; in fact, nationally, the aim is that by the year 2000 the farm gate price for market milk will be taken away and the industry will then be completely deregulated. As I have said before, that is sensible.

Not only am I very much in favour of deregulation, but also it must be done in an orderly fashion, and that is a sensible proposition for dairy farmers and their representatives to work towards with the Federal and State Governments, for that target of the year 2000.

In this State, this Bill will enable farmers throughout South Australia to receive a common farm gate price for the fresh milk supplied before the wholesale price is deregulated. To fund that, the wholesale price of milk will rise in two lots of 1c a litre; that is funded. That is reasonable because at present we have the lowest wholesale price of milk of any State in Australia. That has been controlled. We have had total controls on wholesale and retail prices in South Australia to one degree or another, and those controls have got us out of kilter with the rest of Australia. This 1c rise each year will bring us more in line with what is happening in the other States.

It is interesting that the authority as set up under the Bill will determine the farm gate price, which is 44.6c a litre at present. It will determine that price, taking into consideration what the farm gate price is in Victoria, so that manages to level out what is being paid in both States and gives the industry a much better basis on which to organise itself. It also, most importantly, allows

a freer flow of milk between the States because, if the market price is the same, there may be producers in the South-East who choose to send their milk to Melbourne, Warrnambool or wherever. That is important.

With all this in place, one further thing must happen; there must be an agreement in the interim period leading up to 1 January 1995 between the two major processors in South Australia. In this respect, I refer to Farmers Union Foods and the Dairy Vale Cooperative. These two companies and the South Australian Dairy Farmers Association have been trying to negotiate an agreement which this measure will allow them to go on with in the interim period. As market shares are involved, much behind-the-scene negotiations have been taking place about what should go into the Bill which will finally become the Act. That has caused a tremendous amount of work for the Minister, his staff and the South Australian Dairy Farmers Association.

I pay a tribute to the Minister and his staff for the way in which the Opposition has been able to cooperate to ensure that we get the Bill into a form that is acceptable to all parties. The agreement between the two companies and the South Australian Dairy Farmers Association has not yet been signed, as I understand it, but it is important that I place it on the parliamentary record again, in this Council at least, so that we know the sort of agreement towards which we are working.

There are still a couple of minor sticking points, but they should be resolved before too long. I will read into *Hansard* the tentative agreement, because this is one of the many matters that the Bill is about. The tentative agreement states:

> Industry recommendations to the South Australian Minister of Agriculture following Cabinet approval for new legislative arrangements:
>
> 1. The increase in the processor margin in line with the Minister's decision goes into a separate industry pool.
>
> 2. The separate industry pool is to be used to provide processors with the funds to pay the full farm gate price to farmers by no later than 1 January 1994.
>
> 3. Any surplus funds remaining in the separate industry pool are used to make additional payments to farmers in the Barossa, Mid-North and the Riverland (if it is necessary) to ensure they are no worse off than their current position.
>
> 4. Any further surplus funds remaining in the separate industry pool will be distributed equally amongst all farmers in the State.
>
> 5. In order to distribute funds as per 2 above, the calculation for each processor will be based on the difference between the farm gate price and 34.49c/L from 1 January 1993 and the difference between the farm gate price and 33.13c/L (that is, 9.47c/L) from 1 July 1993 until 30 June 1994. From 1 July 1994 to 30 June 1995 the rebate will be the difference between the farm gate price and 35.68c/L (that is, 8.92c/L). The maximum rebate a processor can receive at any point in time will be 10.11c/L (that is, the difference between the farm gate price and 34.49c/L at 1 January 1993). The maximum volumes on which rebates are to be made are the market milk volumes for each region in the 1991-92 year (ended 30 June).
>
> 6. Dairy Vale and Farmers Union Foods will be reasonable in their negotiations over equity in equalisation.
>
> 7. This agreement will operate initially until 1 January 1995. However, during the previous year, industry sectors will negotiate any extension.
>
> 8. Neither Dairy Vale nor Farmers Union Foods will have any liability to make up for any unforeseen shortfalls in the proposed pool.

It is proposed that that will be signed by Dairy Vale, for and on behalf of Dairy Vale and Farmers Union Foods and the South Australian Dairy Farmers Association. I know that negotiations are continuing at the moment and there could be some variation to paragraph 7, which is one of the main matters to be enacted.

The Bill comes to us with amendments already achieved in another place, and I have on file a number of amendments. Two of them refer to an audit of money paid under section 23, and to division one, which refers to a licence applying only to milk of bovine animals. Both are identical to amendments on file from the Democrats and similar to amendments moved by the Opposition in another place.

I have on file two other amendments that we can debate more fully in the Committee stage. One refers to the authority to be constituted by this Bill. There will be three members of the authority and three deputies. Notwithstanding that the authority can appoint deputies, I believe it is not satisfactory for the authority to be constituted of three members, with the Chair having a deliberative as well as a casting vote and being able to make decisions with only two members present.

In other words, the quorum for the authority is two, and certainly that is consistent with the calculation for quorums generally where it is half the membership plus one. In this case, half the membership plus one gives a quorum of two, but we suggest that that is not right. It gives much power to the Chair.

The Victorian legislation provides for six members, and it is the Opposition's preference to have a small authority, rather than a large authority seeking to represent every possible combination of representatives.

While we are trying to stay with and support the Government's intention of three members, we do not want to move particularly to any other number that would then give a higher quorum but not quite so much power with the deliberative and casting vote of the Chair. In that context I note that the Consumers Association of South Australia has contacted me. It would like to be represented to put the point of view of consumers because consumers will virtually be paying up to 2c for some years as part of the farm gate price arrangement.

If only two members of the authority are in attendance at a meeting and the vote is one all, the Chair can resolve the meeting with a casting vote. It is our view that that gives too much power to the Chair. I refer to Division 3, clause 11 (7), which provides as follows:

> A proposed resolution of the authority—
>
> *(a)* of which notice is given to all members of the authority in accordance with procedures determined by the authority;

That does not spell out, and we are not told until the authority decides after it is constituted, how long beforehand any notice of a meeting will be given and if the notice will go out to the deputies so that they are warned about the date of the meeting. I raise this point if the matter of the casting vote cannot be changed.

There is often a need for meetings to be called in a hurry, but I am always extremely wary of that provision because it can be misused and misinterpreted, and we can have trouble if a meeting is called at such notice. Let us say that none of the deputies and a member could attend an important meeting which was called at short notice, so that only two members were present. There may be excuses why some people cannot attend such a meeting that was called at short notice.

As to subclause (7) *(b)*, a decision of the authority can be made if all members of the authority—that is three—'express their concurrence in writing'. A telephone or video conference between members of the authority is also possible in clause 11 *(b)*.

I accept both those provisions, but I claim that there are telephone hook-ups, writing, or video conferencing which I hope are all exhausted before the authority is ever required to have a meeting with only two members present. The effect of my amendment to clause 11 would be that, if one member of the authority is absent and his or her deputy is not at the meeting, then the Chair in the event of a 1:1 vote will not have a casting vote and another meeting will have to be called to decide the issue.

This is a small compromise to make if the authority is to remain comprised of three members. Local government has this arrangement where, if the numbers are equal, the Chair, as opposed to a council with a mayor, does not have that power and the matter is not resolved until a subsequent meeting. There we are talking between 12 and 14 people who potentially can be at the meeting. My fourth amendment is to clause 21 which deals with transfer of a licence:

A licence may be transferred with the consent of the authority.

My amendment is in line with the provisions of the Dairy Industry Act of 1928, which we are repealing. We have been given no advice that that original provision did not work in that old Act. If the Bill now before us is about deregulation then there is no reason why, as clause 21 provides, a licence may be transferred with the consent of the authority. If clause 21 prevails as it stands, it smells more of regulation and the authority being given a responsibility and power to investigate and sit in judgment on prospective new licence holders seeking to take over an existing licence. In the other place the Minister of Primary Industries said:

I am not prepared to accept the amendment at this stage. I have not discussed the ramifications of it with the industry. I do not think it will take all that long to do so. It is a matter that will be resolved definitely one way or the other before it goes to the Upper House.

The Minister said that he erred on the side of safety when rejecting our amendments in the Assembly. I am not aware of any subsequent advice from the Minister regarding this amendment and I am not aware of discussion with the industry. I hope that either the Government will produce its own amendment or accept ours in Committee. We ask the Minister at the table to give some explanation of what process the Minister of Primary Industries has been through in relation to further consultation, which he very clearly said that he would undertake. He said he was erring on the side of safety just to have some more consultation.

I have had some late advice regarding clause 23, which is about price control. Clause 23 comes to us amended by the Minister of Primary Industries. To put this matter into context, I shall quote from the debate in the House of Assembly. This concerns the amendment moved by the Minister of Primary Industries, the Hon. Mr Groom. In debate, Mr D.S. Baker said:

This is probably the second most controversial clause in the Bill and it is really about price control. Although the amendment tidies up the whole section much better, I am not sure that it goes far enough, because this whole section is about the control of the wholesale price, because the wholesale price, in effect, ceases on 1 January 1995. Both major processors of milk have some concern as to what will happen after 1 January 1995.

One of them has given me some amendments that they wish to have inserted. They vary in relation to what the Minister has put forward today, and I seek an assurance from the Minister that ongoing discussions will take place to ensure that the intent of what we are trying to do in the interim period is covered with the major processors and, of course, the dairyfarmers, and that there will be discussions until the end of 1994 to ensure that none of the three major parties involved in the legislation is going to be disadvantaged after we carry on with the next step of deregulation which is the deregulation of the wholesale price of milk on 1 January 1995...But the main point I want to make is that, as we get to 1 January 1995, I seek an assurance from the Minister that if there is a disagreement as we approach that date he will continue these discussions to see whether we can iron them out before the major processors are put on to the deregulated market, to see whether we can be assured that none of them is at a disadvantage as we go to the next step.

The Hon. Mr Groom replied:

If I am Minister on 1 January 1995, I will certainly carry out the assurances that I am about to give the honourable member—and I expect to be, do not make any mistake about that. I do have the power to direct, and will do so if appropriate circumstances arise.

Before the members in the other place voted on that, the Minister said:

However, I think it should go through in this form at at this time. I have ample power to direct and give the assurance that if the need arises on 1 January 1995 that will take place.

I have not received any advice that the Minister in the other place will do anything to clause 23 following discussions with the interested parties and I have had absolutely no feedback on the matter, and there is no amendment from the Minister. There may be some advice from the Minister in this place when we conclude the second reading debate. I now quote from advice from Baker O'Loughlin, which is acting for Farmers Union Foods, and it states in a letter to me:

The problem is that the Government has stated that it will cease to fix prices [except for the farmgate price] after 1 January 1995. It appears to me that once the Minister ceases to fix prices, under section 23 (1) he can no longer exercise any power under section 23 (2) *(a)* to require a proportion of the price received from the vendors for marketed milk to be paid into the industry fund. If no order is in operation under section 23(1), then each processor will get to keep the 2c per litre previously paid into that fund.

The advice from that firm goes on to spell out the fact that one of the processors will receive quite a hefty amount from the windfall gain of $420 000 from that arrangement, if the Minister cannot do other things. I seek from the Minister in this place an assurance regarding the Bill as amended that has come to us here that Crown Law will back the advice that Mr Groom gave, more or less off the cuff, in the other House in his statement that he does have the power to direct on or after 1 January 1995. I would prefer to have that assurance before we deal with the Bill in Committee. If that is not available before then, at least we will have it on the record in Committee. We want to know what the present position is, with the Minister having had some days to consult and think about what was put in in relation to clause 23.

Finally, the Opposition and the Democrats have received advice from the South Australian Dairyfarmers Association about clause 28, which is about advisory and consultative committees. The South Australian Dairyfarmers Association advice to me is that the history of legislative review in relation to the dairy industry over the past few years would suggest that there would be a great benefit to the industry and the Government in having a consultative mechanism in place, and that is certainly envisaged by the Act. They have suggested a structure for a consultative committee consisting of 10 people, made up of four farmers, three processors, one vendor, one retailer and one union representative—and I venture to suggest that there is a place there for a consumer. It would be funded by the budget of the authority.

I am not sure what the statutory requirements or linking to statutory control and overview would involve. I am not sure whether it can be done as it is now, whether the authority can set up a consultative committee and fund it, or whether it needs to come back to us, and its role would be, as suggested by SADA, to act as a forum for industry development and regulation and to advise the Minister on policy development, and also provide a forum for regular industry consultation and to establish a code of practice.

Clause 28 provides: 'The Minister may establish a committee or committees.' The Opposition and SADA want an assurance from the Minister that a consultative committee 'will be' set up and not 'maybe' set up. I have no doubt that with the cooperation that has been evident between SADA and the Minister a consultative committee will be set up. The Minister referred to that in another place and said that it would be silly for any Minister not to have a consultative committee. I am looking for an assurance that a consultative committee will be set up. I support the fact that the Bill does not seek to be prescriptive in this instance, but I urge the Minister to encourage the setting up of the informal consultative committee and I am confident that he will.

It is heartening to observe the progress, albeit slow, in sorting out various protective measures under GATT. I have already made a brief passing reference to that and to the French attitude. When I put down this thought yesterday it was just through that there had been a breakthrough in GATT negotiations and it is now clearer what has happened. I paid credit previously to the Federal Government and then Minister Blewett who was heading up the GATT negotiating round for the Government. I am happy to pay credit to the Federal Government for its determination in this area. I am sure, as some of us have seen for a long time, that it is convinced that this is one of the best avenues for lifting productivity and incomes, particularly for farmers and this efficient farming industry. We have the problem of only a small domestic market and have to get rid of an enormous excess production. People in GATT countries must see the light that they cannot afford to go on subsidising their rural products to a point where they over-produce so that they need to dump in the markets we supply or in our domestic market. Once they win that philosophical battle, the work done by the Federal Government as far as the GATT and other rounds of negotiations are concerned will be an advantage to the Australian farmers that will flow on through to the whole community.

It is pleasing to see, since the American elections, that some small progress has been made in this area. The dairy industry in Australia has and always will have a production surplus that must be sold overseas. Any surplus sold at a reduced value to that obtained on our limited domestic market is a calculation that all dairy farmers must and do contemplate. I recall the time when there was a discussion about dwarf wheat and the fact that it would not be terribly good in quality but would have an enormous potential for huge tonnages in given areas. It would be quite on the cards for Australian farmers and those in my area and the South-East to say that they will grow so much hard wheat, so much fair average quality wheat and a whole lot of feed wheat or feed barley and pick up in quantity what they do not have in quality.

The avenue has always been open to producers to look at lower prices and decide whether they want to go with the higher price for the domestic market and shandy it with the lower prices for the surpluses. It is a challenge to the Australian producer and manufacturers to find innovative ways to lift domestic consumption of milk, to produce new products which can compete overseas as wine is now doing. No reason exists why we cannot tailor some sort of agricultural products to the Asian market, find out what the Asian market wants and produce it here, either in a niche market or in something that might grow to more than that, and excite domestic users of dairy products to buy our goods in preference to imported products. That is simply import replacement. I do not say that we can or should keep out other products as that is ridiculous. If we expect people to buy our product we have to let in their product, but we should compete with it.

In the debate on Eastern Standard Time I said that we should be proudly going out, not worrying about times but rather saying that these are the products we can do best and can do it better than elsewhere in South Australia. It is an exciting time for the dairy industry, as it can look at import replacement. For those who have tried King Island cheese (and there are many other examples such as Jervois cheese or cheeses from other States), we know that it is as good as anything in the world. We see a bit of social oneupmanship in eating French cheeses or cheeses with fancy wrappers from other countries, but we must excite people to the fact that our cheeses are as good as any in the world, as are our dairy products. As well as being efficiently produced, they are exciting products for us to pursue. Without doubt deregulation produces the best climate in which to do these things properly as there are no barriers and no comfortable safety nets when deregulation comes in totally in the year 2000. The market will be free and those who do not follow innovative and best principles will go to the wall. That is the best climate in which people can try new products, find out what people in other places in the world want and produce it for them.

The Hon. T.G. Roberts: And stop dumping.

The Hon. J.C. IRWIN: Yes. We cannot keep out other products and must make sure that we cannot dump. We need proper dumping legislation that is fast acting. I

know that the Hon. Mr Elliott would take up that point with regard to oranges and fruit juice imports, as previously addressed. I know rural producing and marketing better than secondary production and I am aware of the part that nature plays in the equation. I am well aware of the cyclical nature of product popularity. If you have a good product you cannot afford to stop there, but you must prepare for market change and a new generation of product. Those people who have a long life as far as their contribution in the marketplace is concerned are those who are not only plodders but those who innovate and when that innovation takes on they are then looking for the next innovation. They do not succeed in all of them, but the market is prepared for changes and we must be prepared to change with a new generation of products.

While my latest information is that production costs, at least at the farm gate, are declining slightly due to a number of factors including genetic improvement and farm efficiency, production costs are still too high and return on capital is too low. In 1991-92 the average herd size increased by five cows to 109 cows and the average per cow production increased. That was on the sample used by the department on an annual survey basis. When I say that the herd size increased to 109 cows, I did not mean over the whole State but rather amongst the surveyed group.

In that group, which would be representative of the industry, they had a per cow increase. Milk was up 57 litres per cow or 12 per cent; kilograms of butter fat increased by 25.5 or 12 per cent; and kilograms of protein increased by 21 or 14 per cent. I am unable to give an analysis of the total State or regional trends. I will watch them with interest as 1995 and the year 2000 approach. There has also to be an improvement across the whole spectrum of manufacturing, retailing, shipping and wharf costs. There must be those improvements to help with the efficiency of the industry.

The Coalition's Fightback package, if implemented, will offer dramatic cost savings to primary producers. Farmers will pay 26c a litre less for all petrol used on and off the farm for business purposes and 19c a litre for personal vehicle use. The price of diesel will fall by the same level. These fuel price reductions will contribute to lower freight costs. Charges will be reduced further by the complete removal of sales tax on all transport equipment, for example, trucks, spare parts and tyres. The cuts will also apply to Avgas, meaning a further saving for those who want to use aerial top dressing of superphosphate. I do not imagine many dairies do that, but no doubt some would. There will be the complete removal of the wholesale sales tax on all farm inputs which at present are calculated by the Federal Treasury to cost farmers $288 million. There will be quicker and more efficient anti-dumping and countervailing procedures to ensure fair trade. They will be quicker than they are now by some months.

The present unfair assets test, which discriminates against rural Australian retirees, will be abolished and a fairer income test will apply. Tax treatment of depreciation will be reviewed to give all businesses a greater incentive to invest in the latest technology and match the best international practice. Those things will help when they are able to be initiated by a Coalition Government.

An independent industry consultant estimates that farm business incomes on identified properties could rise by between 7 per cent and 22 per cent at least with the introduction of the GST, the abolition of wholesale sales tax, fuel excise, payroll tax and tariffs set to negligible levels. A dry land dairy producer will have an increased income of an estimated 7 per cent.

I look forward to observing how the measures outlined in this Bill will be implemented. I hope that the dairy industry, consumers and the Australian economy will benefit from the changes that we are discussing tonight. Obviously this is the same type of legislation as will be enacted in every State. I certainly look forward to seeing how the work that we are doing tonight will be effected as 1995 approaches and then the year 2000.

The Hon. M.J. ELLIOTT: I support the legislation and promise the Council a much shorter speech than the previous contribution. The Democrats support this legislation. I note that the dairy industry is probably one of the most efficient agricultural industries in Australia, particularly its operations in South Australia. We have seen massive improvements in efficiency, particularly during the 1980s. I neglected to bring the figures with me, but conservatively it is about 5 per cent per year for each of the years during the 1980s, and I suspect that it was slightly more than that.

It is worth noting that that has been done without any subsidy. We have milk and milk products which are among the cheapest in the world. They have been achieved within a regulated environment. We need to note the point that one of our most efficient industries, which is still rapidly improving in efficiency, has been achieved within a regulated environment.

Stability of supply by way of licensing and a guaranteed price have been instrumental in achieving this. There is no doubt that the system has served us well, although, as with all regulation, it is appropriate from time to time to reassess the regulation. The Democrats are on record in this place as being opposed to deregulation for its own sake, which is what we get from time to time. We support appropriate regulation. If it can be demonstrated that particular regulations have become out of date and are not serving any useful purpose, then certainly they should go. However, most regulations were brought in for a purpose and sometimes we are a little too eager and the baby goes out with the bath water.

Rationalisation has occurred in the industry in an orderly fashion. It has been occurring according to plans both at Federal and State level, the Kerin plan being one of the more prominent among them. I do not believe that total deregulation achieves this. Total deregulation is having no plan at all. The Japanese economy, as an example, grew because the economy's growth was planned. That is something that the proponents of deregulation consistently choose to ignore.

It is worth noting that farmers in Australia and internationally, generally speaking, are underpaid for their produce. There is an unrealistic expectation as to how much primary producers should be able to produce their product for. There are a number of reasons for that which I will not explore now, but I put on record that most

farmers are not paid adequately for what they are producing. There are some wealthy cockies, but the great bulk of primary producers are not wealthy. They sometimes have assets which are appreciating rapidly, particularly the land, but they do not have an income stream which most people in the city would consider to be adequate.

Particular commodity groups have difficulties. Dairying is very much like other commodity groups to which I have been close in horticulture. There is a problem in many of these commodities in that there are very few buyers in the market and there are many sellers. In the dairy industry in South Australia there are essentially two buyers in the market: a primary producer-owned cooperative and one privately owned company, with a small amount of milk being bought out of the South-East by another company interstate, Kraft. With few buyers and many sellers the whole concept of the free market does not work. Anybody who thinks that a free market will work in that situation is off in fairyland somewhere.

Unfortunately, some of the big proponents of deregulation, particularly out of the agricultural sector, tend to be broad acre farmers who are not in the position of many sellers and few buyers. The one exception is probably the wheat producer who operates the major buyer. We will not see any wheat producers wanting the Wheat Board to go. Deregulation of the wheat market domestically has damaged prices and deregulation of external marketing would also be damaging to wheat growers, because a couple of cartels will quickly move in and dominate the markets and then the wheat growers will learn what total deregulation of marketing means. As I said, the totally deregulated market is fairyland stuff. The broad acre farmers do not yet appreciate those difficulties, although wheat farmers should if they think carefully about their own situation.

Very large producers of some of these commodity groups also do not feel the same pressures. A very large producer of citrus, a very large grower of grapes or a very large producer of milk will not be under the same pressure as the average and smaller size producers. It is a matter not of being a more efficient producer but of the sheer size which one has and which gives one a power in the market that the others do not have. Once again, I think that they do not really live in the real world; they are on one edge of it.

I regret what I heard coming from the Hon. Mr Irwin which seemed to suggest that he thought that at the end of the day total deregulation of milk prices at the farm gate level by the year 2000 would be a good thing. I beg to differ. Time will tell, and I can assure him that producers of other commodity groups which are deregulated but which are in a similar position do not share his sentiments.

I said earlier that there was a need for change. I think the metropolitan milk zone quite clearly had done its time. With the introduction of refrigerated trucks, which can move milk around, and so on, there is no basis for maintaining the metropolitan milk zone. I think that there is also an increasing trend for dairy farmers wanting to move out of what was the metropolitan milk zone in order to take advantage of irrigated pastures along the Murray River and down into the South-East, where they have green pasture for a significant amount of the year and where some irrigation potential also exists.

However, the metropolitan milk zone was a positive disincentive for producers to move where perhaps they could work more efficiently. It served a purpose at the time, but that time has well and truly passed.

The Hon. Peter Dunn: The milk price wasn't a subsidy, was it? It was twice the price of manufacturing milk.

The Hon. M.J. ELLIOTT: No, I do not believe it was. What it was doing was guaranteeing supply throughout the year, no more and no less. That was its principal purpose. It was aimed at producing milk. Without it milk would have varied in price and quality significantly throughout the year. Now we have a very homogenous product which is available at a very good price the year round. As I said before, as much as we might want to knock the regulation, the fact is that under a regulated environment we have damn cheap milk—cheap by world standards.

The Hon. Peter Dunn: You ought to go to New Zealand.

The Hon. M.J. ELLIOTT: New Zealand is the only country in the world which, without subsidy, produces cheaper milk but, bearing in mind all the natural advantages that they have in the pastures there, the difference is only marginal.

I do not believe that the regulated environment in South Australia and in Australia over recent years (as distinct from earlier times) has coddled the farmers. They have not had it easy; they have been forced to increase the size of their herds, and figures were quoted again here today in this respect. So, the regulation did not make it easier for farmers; it stopped it from being impossible, a situation which the totally deregulated market would produce for them.

Personally, I would like to see the maintenance of the farm gate price in the longer term, but I think we probably cannot do it at State level. It would need to happen at a national level. I would also argue that, having set that farm gate price, we would set it at a level which would not encourage the inefficient to continue operating. It is a question of finding what is the appropriate level. I am sure that, if we set it at a level that discouraged the inefficient and discouraged people from operating in areas where they should not be, we could achieve our desired goals but still produce a lot more certainty in the market so that producers know at what price they are to produce. Then they could be offered at least some protection against the games that the oligopolies play in the marketplace.

The Hon. Mr Irwin made mention of GATT in passing. I think the most important thing about GATT is that there is discouragement from the massive level of subsidies that have been going on at an international level. Once again, I would be most surprised if any responsible nation did not try to remain somewhat self-sufficient in foodstuffs, and I would be most surprised if the Europeans did not maintain a level of assistance that keeps themselves significantly, if not entirely, self-sufficient. They would remember only too well the experiences of World War II and the difficulties they had then, and that is something which they have always

remembered and of which all nations should take note to some extent.

There are just a couple of matters to which I will refer during the second reading debate and to which I hope the Minister will respond. In relation to clause 21, I note the Hon. Mr Irwin raised questions about the transfer of licences. It is an issue that has been raised with me by the South Australian Dairy Farmers, and I would like some clear explanations from the Minister as to what precisely is intended to happen there.

The clause as it stands gives no explanation as to how the transfer of licences is to be handled by the authority, and I would appreciate hearing a more detailed explanation of this matter. I think the Hon. Mr Irwin said he might have an amendment in relation to that clause, and at this stage I would be tempted to support an amendment that perhaps takes us back to the situation that existed under the old Act. It is a matter of only minor importance but, in relation to price control and equalisation schemes, I will be moving amendments to make clear that they relate to milk only from bovine animals, in other words, cows. This is because it appears to me that it is likely that there will be licensing of dairy industries other than simply cows. Already it involves a number of primary producers, including a number producing milk from goats and other products from goats' milk, and there are also a couple of primary producers now milking sheep.

I suggest that we would want to license those dairies to make sure that they are being maintained at adequate standards, but I would not expect price control mechanisms or the equalisation schemes to apply to those, and I will be moving amendments to make clear that that is the case.

I also want some clarification in relation to clause 25, which refers to the guarantee of the farm gate price. In fact, that price is mentioned at several points through the Bill. I want to have a very clear understanding of what the farm gate price means.

There were difficulties in the Riverland when there used to be a minimum pricing scheme for grapes: some of the wineries started pulling a bit of a shonk. They would pay the minimum charge but then pay quite incredible freight rates to move the grapes around. I want to make quite clear that the farm gate price is the price the farmer receives, and there is not some deduction that is made by the company for freight reasons.

I think the dairy industry recognises the need to take account of location, and it does so currently through equalisation schemes and, of course, Division III of Part IV still has an equalisation scheme. As I understand it, it is the intention of the dairy industry to use the equalisation scheme to take account of location. I hope that the setting of the farm gate price will be such that some dairy company does not pull a shonk later on and try charging exorbitant freight rates. I do not believe they can do that, but I certainly want the Minister's advice that that cannot occur.

The final matter I will raise in the second reading debate relates to the consultative committee. The Hon. Mr Irwin received a copy of a letter that the SADC sent to me after the meetings we had, and he has essentially read in the response that it sent to me, in particular its requirement to see a consultative committee set up. I believe that the SADC would have liked it to be set up under the legislation itself.

As I understand it, it has been inordinately difficult to get the various sections of the industry to sit around the table, and that is not good for an industry that is trying to move ahead. I think their great hope was that a consultative committee set up under statute would be one way of ensuring that the various groups do sit around the table.

There may be other matters that I will raise in Committee. The Democrats support the legislation, and we are pleased to see that the metropolitan milk zone will go. We are pleased to see that some levels of regulation will be maintained in the industry. It is at least guaranteed that the farm gate price will remain until the year 2000.

The Democrats would like to see the farm gate price continue indefinitely and there are other commodity groups for which it could be argued we should be doing it. However, in the light of how much business we have to get through this week, I will not extend that debate at this time. As I have indicated, there will be several amendments of a relatively minor nature that we will move in Committee.

The Hon. BARBARA WIESE (Minister of Transport Development): I thank honourable members for their contributions to the debate. A number of issues will be raised in Committee, so I will not address all the matters that have been raised by honourable members in the course of the debate thus far, because we can deal with some of them in the Committee stage.

However, there are three issues with which I think I can deal now. Two of them are matters that were raised by the Hon. Mr Irwin, and the third was one of the issues raised by the Hon. Mr Elliott. First, the Hon. Mr Irwin raised the question whether the Minister of Primary Industries actually has power to direct. As he indicated, it would be his intention to do so, should it be necessary, with respect to matters relating to pricing, should there be some disadvantage that had been caused to some sections of the industry following deregulation.

The Hon. Mr Irwin sought an assurance that there was a Crown Law opinion which would back the advice that had been given by the Minister. As far as I know, there is no Crown Law opinion on the matter, but I am advised that the Minister does have power to direct, although not under clause 23. However, certainly under clause 5 he is given authority to direct. The authority itself is under the control and direction of the Minister, so he clearly has a power under that provision to provide direction.

Also, under clause 20, which deals with conditions of licence, the Minister would have the power to set or direct that a condition of the licence would enable the outcome that was desired, that is, that there should be no disadvantage. I understand that that would be done by way of a licence fee transfer, as is currently undertaken under the existing Metropolitan Milk Supply Act. That power would be used, should it be necessary, and those provisions of the legislation would provide for that.

Secondly, the Hon. Mr Irwin sought an assurance that the Minister would establish some sort of advisory committee, and I have been authorised by the Minister of Primary Industries to give such an undertaking that it is his intention to establish an advisory body. He intends to do that by way of regulation following consultation with the industry.

The third point I would address relates to the matter raised by the Hon. Mr Elliott about clause 25. He wanted information about exactly what the farm gate price might mean. He wanted an assurance that freight and other charges would not be deducted from the farm gate price, so that the dairyfarmer would not be disadvantaged. I am advised that these matters would be dealt with by way of the equalisation provisions of the legislation to ensure that a dairy farmer would not be disadvantaged by someone attempting to pad prices in that way.

At this stage I do not have a response to the question about clause 21, but we can deal with that as we proceed with the Bill. I thank all members for their contributions and, if any further explanation is needed on any matter that I have raised, I shall be happy to provide it as we deal with the Bill in Committee.

Bill read a second time.

In Committee.

Clauses 1 to 10 passed.

Clause 11—'Proceedings.'

The Hon. J.C. IRWIN: I move:

Page 5, lines 18 and 19—Leave out 'and, if the votes are equal, the member presiding at the meeting may exercise a casting vote'.

This amendment deals with the casting vote of the presiding officer of the authority. It seeks to take out of subclause (4) the provision where, if votes are equal, the member presiding at the meeting cannot have a casting vote. There is to be only a deliberative vote. If the quorum is two members out of the authority of three and if there is a 1:1 vote, under my amendment there would not be a decision. There is the ability of the authority to nominate proxies for authority members. We put it to the Committee that if the authority cannot raise three original members or two original members and one proxy, or one original member and two proxies (whatever the combination), the Chair of the meeting should not have a casting vote but only a deliberative vote.

If that does not resolve a matter at a meeting when only two members are present, they should go away and consider the matter at another time—the next day—or adjourn the meeting until the matter can be resolved. I will not go over all the ground again, but I mentioned in the second reading debate that we considered going along the lines of increasing the authority membership to six members, as Victoria has done, to give more representation, on the one hand. On the other hand, there is the question of resolving whom those people should represent, but giving a bigger number from which to pick a quorum where this would not become a problem. We decided not to go along that line, because we are helping the Government to deregulate. A small authority is best, to our way of thinking, and we just want to take that final powerful decision away from the Chair in case only two members are at an authority meeting.

The Hon. BARBARA WIESE: The Government opposes the amendment. We do not believe it is necessary. We do not anticipate that the circumstances will arise very often where there will only be two members present. However, if that circumstance did arise then the Government believes that the business of the authority should be allowed to proceed and that there should be the capacity for a decision to be made. I might say that if this new authority works in a way similar to the old Metropolitan Milk Board the need for a vote is likely to occur very rarely, and I understand that that has been the case since the Metropolitan Milk Board was established in 1986. I understand it has been the preference of the board for decisions to be made by consensus wherever possible, and so the need for votes is a very rare occasion indeed. We very much hope that the same cooperative practices will apply under this new authority. The concerns being raised in relation to these circumstances are perhaps academic. In any case, should there be a need for such a vote, the Government believes that the power to resolve the issue should be there in the event that not all three of the members are present to enable the business of the authority to proceed. For that reason we oppose the amendment.

The Hon. M.J. ELLIOTT: The Democrats support the amendment. There may be very few occasions when this would eventuate—in fact it would be extremely rare—and when one considers that not only does each member of the authority have the capacity to have a deputy but also, under clause 11(6) the authority has the capacity to have telephone or video conferences. There simply is no excuse, where there is a one all vote, in having one person making a decision on behalf of the whole authority. I think the amendment, in the light of the existence of deputies and also clause 11(6), is a very reasonable one and the Democrats support it.

Amendment carried; clause as amended passed.

Clauses 12 to 14 passed.

Clause 15—'Accounts and audit.'

The Hon. M.J. ELLIOTT: I move:

Page 7, after line 10—Insert the following subclause.

(3) The Authority must arrange for the audit of any money collected and paid under section 23(3) and ensure that the farmgate price is paid under a price equalisation scheme.

I have been advised that, under the current schemes, when audits have been carried out from time to time quite significant discrepancies in payments have been found. I am seeking to expand the amount of audit that is carried out to also include moneys collected and paid under section 23(3), and also to ensure that the farmgate price is paid under a price equalisation scheme. This has the support of the dairyfarmers.

The Hon. BARBARA WIESE: The Government opposes this amendment. It is not because we oppose the sentiments that have been expressed by both the Democrats and the Liberal Party with respect to audits but because the Government believes that it is not necessary to have a rigid system which encourages this requirement in legislation. The power to initiate audits is given by way of the legislation, and the Minister feels that matters relating to audits would be better handled by way of regulation, and I think he has already undertaken to include this provision in regulations. For that reason he does not wish to have it included in the legislation. However, I note that both Parties in this place are likely to insist that it be in the legislation, and he will have to make a decision about that when the time comes.

The Hon. J.C. IRWIN: I support the amendment.

Amendment carried; clause as amended passed.

Clauses 16 to 19 passed.

Clause 20—'Conditions of licence.'

The Hon. J.C. IRWIN: I was not going to ask any questions on clause 20 until the Minister in her second reading reply indicated that clause 20, and I think clause 5, would help with price control. I have referred in the second reading debate to the mater of price control as it relates to clause 23, the Minister would also have noticed that I have an amendment on file to clause 21, which affects the transfer of a licence, and I will speak to that later. If the Liberal Party is successful with its amendment to clause 21 it will mean that when a property changes hands the licence will go with it. Would that mean that the conditions of a licence, in clause 20, would change, if a licence moves from one property to another? Will a different condition attach to that licence held by the new property owner?

The Hon. BARBARA WIESE: I am advised that if such a transfer took place it would not affect the conditions that apply under the licence.

Clause passed.

Clause 21—'Transfer of licence.'

The Hon. J.C. IRWIN: I move:

Page 9, after line 5—Insert after the present contents of clause 21 (now to be designated as subsection (1)) the following subsection:

(2) The authority's consent is not required for the transfer of a dairyfarmer's licence where ownership or control of the dairy farm to which the licence relates changes and, in that case, the licence will be transferred on notification to the authority of the name and address of the person by whom the dairyfarming business is to be conducted.

I outlined this matter in my second reading speech. The intention of this is to add to clause 21 the provision as outlined above. Quite simply, the Opposition believes that in a deregulation sense there is no reason why the old conditions that were in the Act of 1928, which we are repealing by this Bill, cannot be transferred here, where the authority does not have to make any intervention when the licence moves from one farmer to another. Unless the Minister can give good reasons, we cannot see any reason for the authority needing to intervene in the purely commercial business transfer of the farm from one person to another.

The Hon. BARBARA WIESE: The Government opposes the amendment. The Minister in another place indicated some reservations about it when the matter was raised there, although he indicated also that he would want to consult the industry about such a provision. I understand that the industry supports the provision that exists within the Bill and would prefer to have a system where transfer takes place by consent. For that reason, therefore, having had an opportunity to reconsider the matter since it left the House of Assembly, the Minister would prefer to stick with the provision as contained in the Bill.

The Hon. M.J. ELLIOTT: The South Australian Dairy Farmers Association did not ask me for any change here, although it would be fair to say that it questioned how precisely it would work. Will the Minister give a more definitive answer as to why this option is preferred over the way things were done under the old Act as opposed to what is proposed under this amendment?

The Hon. BARBARA WIESE: As I understand it, there has not been a huge amount of discussion one way or another on this matter. I understand that the purpose of the provision is to ensure that at the changeover of a licence an opportunity is provided to inspect the quality of the buildings and reassess the conditions of a licence. Generally that idea is supported by the dairy industry.

The Hon. M.J. ELLIOTT: I have not been asked by dairy farmers to change this clause and they were aware of the option being put up by the Hon. Mr Irwin. Where the industry has not been insisting on a change, it is perhaps difficult, unless I have a strong feeling myself, that I should be insisting on a change. In that case, I will not support the amendment.

The Hon. J.C. IRWIN: No consultation has been undertaken by the Minister up until yesterday with the people consulting me. The Minister wished to err on the side of safety and I admire him for that as he did not accept the same amendment in another place. I strongly believe that no reason exists for the inspection of buildings or facilities on that holding that has the licence which cannot be carried out anyway by other people connected with the dairying industry or the health authorities connected with the production of milk. It is an intrusion to have the authority sitting in judgment of the transfer of my property to someone else to carry on with the dairying licence. I do not want to put them in a position of having to sit in judgment on whether the new owner has the money or the expertise or will be a good or bad person in the industry. The three member authority should not have that thrust upon it for any reason. I have not been given any reason why it needs such power other than to look at some buildings or reasons as to why it should sit in judgment on the proper commercial transaction between the person selling the farm and another buying it.

[Midnight]

The Hon. BARBARA WIESE: To correct the misunderstanding that the honourable member seems to have about what sort of monitoring is undertaken in accordance with this provision, I point out that no intention exists whatsoever for the authority to sit in judgment on individuals as to their suitability for being involved in the industry or to check in any way on their financial capacity. The purpose of these provisions is to allow for a check to be made on the suitability of buildings, facilities and so on: that is what the licence is for. It is licensing the property or facilities and no intention exists to intrude on what might be considered the private business affairs or character of individuals involved.

The Hon. J.C. IRWIN: The Minister could concede that grounds exist for that to happen if an antagonistic majority on the authority does not like a person who will get a licence or become bigger by accumulating more licences. It is possible that there could be some antagonism towards that and therefore some more stringent precautions. I am hoping that everything goes well and there will be no problem, but there could be a problem in this area. It could follow that, with the inspection of the buildings, draconian measures will have to be taken by the new owner before taking over the licence as it may come through the authority. If the authority continues to say that the buildings or facilities

are not good enough, there appears to be no appeal mechanism or any way of sorting out the matter if it becomes a nasty incident. I hope that it does not get to that, but the Minister must agree that it could. I am happy to accept the Minister's prior explanation that I was probably going too far in what I thought the authority could do in so far as intervening with the selling. I am happy to accept her explanation on the matter.

Amendment negatived; clause passed.

Clause 22 passed.

New clause 22a—'Application of division.'

The Hon. M.J. ELLIOTT: I move:

Page 9, after line 13—Insert new clause as follows:

22a. This division applies only to milk of a bovine animal or dairy produce processed from milk of a bovine animal.

I referred to this during second reading. I have no problems with the licensing of goat and sheep farmers for the production of milk, but I see no point in their being involved in price control and equalisation schemes. The amendment makes quite clear that it relates only to cows.

The Hon. BARBARA WIESE: The Government opposes this new clause. There was some discussion about this matter in another place when amendments were moved relating to the definition, although the intention was similar. I understand that the Minister has no intention of applying either the pricing or equalisation provisions to sheep and goats' milk farmers, but there is a possibility that sheep or goats' milk could be mixed with cows' milk and circumvent the provisions of the legislation. Whilst that is perhaps of minor concern, it is a possibility. For that reason, it is considered more appropriate to stick with the Bill.

The Hon. J.C. IRWIN: We support the new clause.

New clause inserted.

Clauses 23 to 25 passed.

New clause 25a—'Application of division.'

The Hon. M.J. ELLIOTT: I move:

Page 10, after line 25—Insert new clause as follows:

25a. This division applies only to dairy produce processed from milk of a bovine animal.

This new clause is identical to the previous one so I do not need to comment further.

The Hon. BARBARA WIESE: The Government opposes this new clause.

The Hon. J.C. IRWIN: We support the new clause.

New clause inserted.

Remaining clauses (26 to 33), schedule and title passed.

Bill read a third time and passed.

CONSTRUCTION INDUSTRY LONG SERVICE LEAVE (MISCELLANEOUS) AMENDMENT BILL

The House of Assembly requested a conference, at which it would be represented by five managers, on the Legislative Council's amendments to which it had disagreed.

The Legislative Council agreed to a conference, to be held in the conference room of the Legislative Council at 12 noon tomorrow, at which it would be represented by the Hons I. Gilfillan, R.J. Ritson, T.G. Roberts, J.F. Stefani and G. Weatherill.

FIREARMS (MISCELLANEOUS) AMENDMENT BILL

Received from the House of Assembly and read a first time.

ADJOURNMENT

At 12.45 a.m. the Council adjourned until Wednesday 25 November at 2.15 p.m.