LEGISLATIVE COUNCIL

Thursday 31 May 1979

The PRESIDENT (Hon. A. M. Whyte) took the Chair at 11 a.m. and read prayers.

QUESTIONS

INDUSTRIAL DISPUTE

The Hon. C. M. HILL: Can the Leader of the Government in this Council indicate any improvement in the situation regarding the industrial dispute at the Torrens Island power station which has been, and is, inconveniencing many people in metropolitan Adelaide? A conference was to be held at 7 o'clock this morning on the matter, and perhaps some resolution has come from that conference. Not only is the inconvenience to people causing great concern but also the population of metropolitan Adelaide is most concerned about the picket lines that exist.

The Hon. C. J. SUMNER: I am afraid I cannot give the Council any specific information on the dispute. Obviously the matter is causing considerable concern to the Government. Honourable members will be aware that the Minister of Labour and Industry yesterday spoke to the parties to the dispute in an attempt to reach some resolution of the matter. That clearly shows that the Government is vitally interested in ensuring that the dispute is settled as soon as possible. I am sure that the Minister of Labour and Industry will continue to use his good offices in the best way he can to bring a speedy resolution of the matter. Unfortunately, I do not have any details of the results of the conference that was to be held at 7 o'clock this morning.

CAVAN BRIDGE

The Hon. M. B. DAWKINS: I seek leave to make a statement before asking questions of the Attorney-General, representing the Minister of Transport, about the Cavan bridge and the Virginia-Two Wells by-pass.

Leave granted.

The Hon. M. B. DAWKINS: For some time now the construction of the second Cavan bridge has been in progress. Honourable members will be aware that the first new bridge was opened to traffic some time ago; the original bridge was then dismantled; and construction of the second bridge has begun. Consequently, a four-lane highway still becomes a two-lane crossing over the railway, resulting in considerable delays, until the second bridge and new approaches to it are completed.

Will the Minister ascertain when the second bridge will be available for use? I also draw attention to the need for the Virginia-Two Wells by-pass. At present, much congestion occurs, particularly in the township of Virginia, and the by-pass is well overdue. Will the Minister also ascertain when that by-pass will be completed?

The Hon. C. J. SUMNER: I do not have those details at present. I realise that the honourable member has had an interest in these matters for some time, and I will certainly refer his questions to the Minister of Transport and provide the information that the honourable member has requested.

SOUTH AUSTRALIAN FOOTBALL LEAGUE

The Hon. N. K. FOSTER: I desire to make a brief statement before directing a question to the Attorney-General, as Leader of the Council, concerning the South Australian Football League.

Leave granted.

The Hon. N. K. FOSTER: My question is in no way intended to involve the matter concerning the league at present being investigated elsewhere: it concerns the possible pecuniary interests of certain league members. Will the Minister ascertain whether any officers of the league are involved in direct business transactions of supplying catering services, including refreshments, to the league? Do any members or officers of the league own hotels associated with such transactions, any profit from which is not ploughed back into the league?

The PRESIDENT: Order! I think that the honourable member should rephrase his question so that it falls within particular Ministerial responsibility. I do not think any Minister can answer the question as it is.

The Hon. N. K. FOSTER: I asked my question of the Leader of the Council, but it could go to the Minister representing the Minister of Recreation and Sport. Will the Minister ascertain, first, whether any officers of the league have direct business transactions involving the supply of catering services, including refreshments, to the league; and, secondly, whether or not any officers or members of the league are proprietors or licensees of businesses providing such catering services for the league?

The Hon. C. M. Hill: What do you mean by "officers"?

The Hon. N. K. FOSTER: That is my question, and I cannot transgress Standing Orders and respond to the interjection, or you, Mr. President, might throw me out.

The Hon. B. A. CHATTERTON: I will refer the question to the Minister of Recreation and Sport and bring down a reply.

URANIUM ENRICHMENT

The Hon. R. A. GEDDES: I desire to ask a question of the Minister representing the Minister of Mines and Energy. It is reported in yesterday's press that the Commonwealth Government is setting up a committee dealing with the feasibility of a uranium enrichment plant in Australia, and that Federal and State Government officials will be attending that meeting. Bearing in mind the work that South Australia has done towards uranium enrichment, I ask whether any officers from this State are attending this meeting sponsored by the Commonwealth Government.

The Hon. C. J. SUMNER: As I am not aware of the matter to which the honourable member refers, I will refer his question to my colleague and obtain a reply for him.

ROAD GRANTS

The Hon. R. A. GEDDES: I seek leave to make a brief statement before asking a question of the Minister representing the Minister of Transport.

Leave granted.

The Hon. R. A. GEDDES: I have noted in the Eyre Peninsula press that a complaint has been lodged that rural district council road grants are insufficient for their needs, and that many urban council road grants exceed their requirements for the current financial year. Will the Minister check the authenticity of that statement and, if it is correct, try to make a better allocation of funds so that moneys unable to be spent by the city councils in question

can be allocated to rural councils that have greater problems?

The Hon. C. J. SUMNER: I will obtain that information for the honourable member.

[Sitting suspended from 11.12 a.m. to 3.14 p.m.]

SANTOS (REGULATION OF SHAREHOLDINGS) BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendments Nos. 2, 4, 7, 9, 11 and 14, and had disagreed to amendments Nos. 1, 3, 5, 6, 8, 10, 12, 13 and 15.

Consideration in Committee.

The Hon. C. J. SUMNER (Attorney-General): I move:

That the Legislative Council do not insist on its amendments Nos. 1, 3, 5, 6, 8, 10, 12, 13 and 15, to which the House of Assembly had disagreed.

Honourable members will appreciate that, when this Bill was before us yesterday, its basic principle was accepted by them, that basic principle being that no shareholder or group of shareholders should have more than a 15 per cent interest in Santos. We canvassed the reasons for that at great length yesterday, the reasons revolving around the question of who should have control of energy resources in this State. Should those energy resources be allowed to fall into the hands of one group, one corporation or, indeed, one individual?

Yesterday, this place accepted that the public interest in South Australia ought to be paramount and that no one person or group ought to be able to obtain a controlling interest in the provision of South Australia's energy resources. I emphasise that that is the fundamental principle in this Bill. The other areas on which this place has disagreed are, in a sense, peripheral to that fundamental question.

This place has made amendments, and the Government, through the Lower House, has insisted on some provisions. Having gone through that procedure and having accepted the basic principles of the Bill, should we continue to argue about matters that are not fundamental to the basic objects of the Bill? Those areas of disagreement now revolve around three areas. The first is the Minister's power to annul a resolution of the company in certain circumstances. As I pointed out yesterday, that type of provision exists in other legislation in other States, if not in precisely the same terms at least in its general import.

The second question is the question of the procedure there ought to be to review the Minister's opinion on what constitutes a group of shareholders under clause 3; that is, whether there ought to be some set appeal procedure in the Bill, which is what this place thought ought to happen, or whether the procedure of a prerogative writ or a declaration is adequate. I believe that the Government's proposal (that there is adequate provision for judicial review by those means—the prerogative writ or declaration—in the legislation) ought to suffice and ought to convince honourable members that it would be unfortunate if that matter was allowed to stand in the way of the basic principle in the Bill, which we have already accepted.

The third matter is the question of whether the legislation ought to bind the Crown. I dealt with that question yesterday, and I will not deal with it in detail now. It appears that the main disagreement at present by this place is on the question of the Minister's powers and, indeed, the Government's powers in this area: the Minister's power to annul; his power to decide what constitutes a group of shareholders; and whether the Government ought to be bound. These issues all revolve around the role that the Government and the Minister ought to have in the administration of this Bill.

A private corporation that has obtained a substantial shareholding in Santos is not accountable to the people of South Australia, whereas the Government and the Minister are accountable to the people of South Australia. The Minister is accountable through the Parliament, and he is responsible to the Parliament, just as the whole Cabinet is responsible to Parliament. Through the Parliament, the Minister is responsible to the whole community of South Australia. So, when one gives the Minister the powers which I have outlined and which appear to be the subject of dispute, one does so in the knowledge that he is an elected official of this community. He has been elected to Parliament and to the Ministry of the State. Therefore, he is accountable to the Parliament and ultimately to the people.

So, in legislation of this kind we must give responsibility to the Government and the Minister; that is crucial to this legislation. In doing that, we know there is some redress against the Government and the Minister, should they act in a manner contrary to the public interest or contrary to the community's wishes. So, in asking honourable members not to insist on the amendments, I repeat that we should not lose sight of the fundamental principle involved in the legislation, which we have already approved. We should keep that firmly in our minds and not allow what I consider to be peripheral issues to stop us from proceeding with a Bill which Government members believe is fundamental to the future protection of South Australia's energy resources.

The Hon. C. M. HILL: I believe that the Committee should insist on its amendments. I listened attentively to the Attorney's putting his case for the Government. He talked much of what he considered to be the basic principle in this issue, but I do not agree with him that the basic principle is whether a shareholder should be limited to 15 per cent or 37·5 per cent of the shares, or any other number. The basic principle is that there is a need for some degree of control in this matter, and that the public interest is involved. We are not disputing those aspects which I deem to be the basic issues.

Speaker after speaker from this side yesterday said that public interest is involved in this question, or said that it might be involved and might be involved in certain circumstances, but no-one that I can recall disputed the fact that public interest had to be seriously considered. The amendments from this side indicated that a ceiling number of shares was desirable and that the law should be, in regard to Santos, that a certain number of shares in the name of any one shareholder, or associated group of shareholders, should be the optimum number that could be held. The basic issue is that some degree of control is desirable and that the public interest is involved.

I also agree with the Minister's approach that the question of accountability, and accountability by the Minister, is proper in such legislation. Members from this side also considered not only the aspect of the Minister and his power in the Bill, so that he can account to the people, but also we considered the rights of individuals involved. Our amendments have tried to give those individuals fair and reasonable appeal powers so that, if the Minister acts too harshly, people can turn to the courts on appeal.

It is not a question of great argument between the two sides on the principle involved: the great argument between the two sides deals with some of the details. These are important issues. One is whether this Bill should

bind the Crown. The Government says that it should not, whilst Opposition members, by a decision yesterday, indicated that the Crown should be bound.

We backed up our submission, particularly because of our concern that State control and nationalisation might well occur if the Crown is not bound in this Bill. Another important aspect deals with the controversial clause 7, in which the Minister sought the right to annul resolutions from general meetings of shareholders of the company when, in his opinion, those resolutions were contrary to the public interest. In the same clause he sought the right to annul the resolutions of a general meeting, if he thinks that some votes that were cast at that meeting should not have been so cast. We feel that that power is too great a power for the Minister to have.

Another point that I do not think the Attorney mentioned must be raised. In being quite fair and reasonable to the individual concerned, irrespective of whom it might be, if that person is to be stripped by the State of his shares, a fair and reasonable time should be permitted for that shareholder to dispose of those shares.

When the Government talks about a period of six months, as it does in the Bill, we say that that is too short a period by far. It is in this detail that the two sides of the Chamber are in serious disagreement. The principle is not simply 15 per cent versus 37·5 per cent: we believe that the principle is that there is a cause for some degree of control. We believe in the principle, in this instance, that the public interest must be considered, and we have built up our amendments and our views through our amendments based on that principle.

It is on some of these major points of detail that there is disagreement, and we cannot accept the Government's view on those points. Finally, I am most disappointed that the Minister and the Government in another place have not seen fit to compromise when this matter came before them this morning so that it could come back here in some changed form. Some compromise by the Minister and the Government this morning would have shown, at least, that they are interested in obtaining a consensus of Parliament on this most important item, which is claimed by the Government to be one of the most important pieces of legislation in this Government's history. This morning the Government apparently stubbornly resisted change, and so we have no alternative but to fight this matter to the bitter end.

The Hon. J. C. BURDETT: I ask the Committee to insist on its amendments. The Minister seems to be saying, "You have agreed to the principle of the Bill, let's forget about the clauses." The Minister knows well that that has never been the approach of this Chamber, which has always regarded the Committee stage of any debate as being most important. There have been many times when we have accepted the principle on which the Government is acting but have objected to some of the methods by which it proposes to put its principle into operation.

True, as the Minister said, the Council did accept the principle of the Bill. It is equally true that it also accepted the amendments. However, the Minister has not raised any new reasons this afternoon that we did not already hear about why the Committee should not insist on, and continue with, the amendments that it passed yesterday. I listened to some of the debate in another place and I have still not heard any new reasons advanced.

The Hon. Mr. Hill has canvassed the major amendments, and I do not intend to canvass them all again. I suggest that the amendments should be insisted on at this stage. No new reason has been given why they should not be insisted on, so it is possible to establish whether or not there may be some area of compromise. In particular, reference has been made to clause 7, which enables the Minister, amongst other things, to annul a resolution of a general meeting. In the Committee debate in another place the Minister stated:

> I am prepared to examine further paragraph *(b)*, but I am not prepared to see the defeat of the entire clause.

Paragraph *(b)* is the main part of the clause to which we have objected. This clause gives the Minister power to annul a resolution of a general meeting. The Minister acknowledged that he was willing to examine further the paragraph, but I suggest that there should be time to enable that to be done, and that at this stage we should insist that that be done.

The Hon. Mr. Hill has referred to the appeal procedure. In answer to that, it has been said that there are already judicial procedures that can be taken before the courts: prerogative writs and action for declaration in the equity jurisdiction. Prerogative writs are most important, but they are the last resort: they have never been and they are not a substitute for a specific appeal procedure. For these reasons, and the other reasons given by the Hon. Mr. Hill, I ask the Committee to insist on its amendments.

The Committee divided on the motion:

Ayes (9)—The Hons. D. H. L. Banfield, F. T. Blevins, T. M. Casey, J. R. Cornwall, C. W. Creedon, J. E. Dunford, N. K. Foster, Anne Levy, and C. J. Sumner (teller).

Noes (9)—The Hons. J. C. Burdett, M. B. Cameron, J. A. Carnie, Jessie Cooper, M. B. Dawkins, R. A. Geddes, K. T. Griffin, C. M. Hill (teller), and D. H. Laidlaw.

Pair—Aye—The Hon. B. A. Chatterton. No—The Hon. R. C. DeGaris.

The CHAIRMAN: There are 9 Ayes and 9 Noes. So that this matter can be still further considered, I give my casting vote for the Noes.

Motion thus negatived.

Later:

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 Legislative Council conference room at 4.25 p.m. on 31 May, at which it would be represented by the Hons. F. T. Blevins, K. T. Griffin, C. M. Hill, D. H. Laidlaw, and C. J. Sumner.

At 4.20 p.m. the managers proceeded to the conference, the sitting of the Council being suspended. They returned at 10.40 p.m. The recommendations of the conference were as follows:

As to Amendments Nos. 1, 3, 5, 6, 8, 10 and 12:

That the Legislative Council do not further insist on its amendments.

As to Amendment No. 13:

That the Legislative Council do not further insist on its amendment but make the following amendment in lieu thereof:

Clause 7, page 4—After line 25 insert subclauses as follow:

(1a) A notice under subsection (1) of this section must be published within one month of the date of the resolution to which it relates.

(1b) If, throughout a period of three months (being a period that commences at some time after the commencement of this Act), there is no shareholder or group of associated shareholders that holds more than the maximum number of shares permissible under this Act, then after the expiration of that period, no notice of annulment

shall be published in pursuance of subsection (1) *(b)* of this section.

and that the House of Assembly agree thereto.

As to Amendment No. 15:

That the Legislative Council do not further insist on its amendment.

Consideration in Committee of the recommendations of the conference.

The Hon. C. J. SUMNER (Attorney-General): I move:

That the recommendations of the conference be agreed to.

Before directing my remarks strictly to the conference, I wish to clarify a matter that arose yesterday in debate and where, because of confusion between my instructing solicitor, the Deputy Premier, and me, I may have given a wrong impression to the Council with respect to the Government's intention.

The Hon. C. M. Hill: Not "may": you did give a wrong impression.

The Hon. C. J. SUMNER: I will explain the matter. In relation to a question that the Hon. Mr. Burdett raised with me as to whether the Government would assure the Council there would be no loss to the Bond Corporation as a result of this Bill, I replied to the Hon. Mr. Burdett as follows:

> The Hon. Mr. Burdett referred to the question whether there would be any loss to Mr. Bond and his corporation, and whether the Government intends to ensure that if Mr. Bond cannot divest himself of his shares at a price above that which he paid for them the Government would purchase the shares at 10 per cent above cost. That is the offer which the Government makes at the present time, should Mr. Bond not be able to divest at a higher price. That offer stands for a period of six months, which is the period within which he must divest. If for some reason this divestment does not occur within that period, the Government would have to review the situation.

That is incorrect in one particular, in that it gives the impression that the offer will remain open for a fixed period of six months. The situation is that the offer is current: it exists at present, but it is not an offer that the Government can leave open for a fixed period of six months. However, should the Government decide to change its mind on that offer, it would give notice of its intention to withdraw the offer to Mr. Bond and the Bond Corporation.

This matter arose peripherally at the conference, and I discussed it with the Deputy Premier. It was agreed that I should clarify the statement that I made yesterday, for the benefit of the Council and to ensure that there was no misunderstanding of the Government's position.

The conference, as honourable members would appreciate, took some time: it commenced at about 4.30 p.m. and, apart from a tea break, we were conferring for the greater part of that period. The discussions were cordial, and the major issues that have arisen relating to this legislation and the Council's disagreement to the propositions that have come from another place were canvassed fully and in that atmosphere. I make that point at this stage, because it has been said that all avenues to achieve agreement on legislation ought to be taken, and it is for that reason that this conference procedure is available to the two Houses in order to resolve their differences. This procedure has now been gone through. There has been a full discussion at the conference and a recommendation from the managers on behalf of the Council in the terms that I have reported.

I will deal with the substantive agreement on an amendment that was reached in relation to clause 7. The Council will recall that the Government inserted a subclause (1a) in clause 7, which meant that, where a resolution of a general meeting of the company was to be annulled by the Minister, then notice of that annulment should be published within one month of the date of the resolution to which it relates, the justification for that being, of course, that the Minister should place on public record within a reasonable time the fact that he has taken that action.

In addition to that amendment, which was approved by the Council, the conference has agreed that there should be a further amendment, which is in the terms that I have read out and which means, in relation to clause 7 (1) *(b)* (which provides that the Minister may annul a resolution of a general meeting of the company which he believes is contrary to the public interest) that it should be operative only until three months after a time upon which all the shareholders or associated groups of shareholders have divested themselves of their shareholding beyond the permissible 15 per cent. I think that that was one area where the Government made a considerable compromise with the position that was put by some members in the Council.

The managers are recommending that the Council do not insist on its amendment that the Bill should bind the Crown. This was not acceptable to the Government or to a majority of the House of Assembly managers. I am authorised to say that it is not the Government's present intention to obtain any significant interest in Santos. If the Government does find itself in a position where it has to purchase the shares that the Bond Corporation now holds, at the figure I stated (cost plus 10 per cent), it expects to be able to resell those shares to interested private groups that have a long-term developmental commitment to the energy resources that the State has in the Cooper Basin.

However, the Government did not feel that its discretion in this matter could be fettered in the future by legislation binding the Crown. I put reasons for that to the Chamber during the lengthy discussions on the Bill, and they revolved around the interests of the community. The elected Government of the State is the custodian of the public, or community, interest. It is custodian because it has been elected. It is in that position because it has a majority of members in the Lower House, and is ultimately responsible to the community.

Clearly, if it were not to be responsible to the community any further, if the community felt that the Government had acted improperly and not in the interests of the community, the remedy is the political remedy of removing the Government. If Parliament believes that the Government is not acting in the best interests of the community, Parliament has the ultimate authority to remove the Government in the House of Assembly.

I emphasise that the reason for not binding the Crown rests with the position that is fundamental to our system of Government; namely, that the Government must be responsible to the community and, in this case, we are dealing with a community resource which we cannot squander and which we must ensure is being used for the benefit of the whole community.

The other recommendation of the conference concerns the two-year period during which divestment of shares in excess of 15 per cent should occur. As I said earlier, it is crucial in this situation that stability be reached within the Santos company in a reasonable period. There may be negotiations in relation to the establishment of a petrochemical facility at Redcliff and, clearly, to have the Santos position not resolved within a reasonable period would create instability that could affect those negotiations.

The other issue is the question of an appeal against the Minister's decision making a declaration that a group of

shareholders was an associated group for the purpose of the Bill under clause 3. The Government and the managers agreed that the situation here was that that matter is justiciable in any event, and there is no need for the appeal procedures that some members previously thought should be inserted in the Bill. Procedures which I have outlined are available so that any shareholder who felt aggrieved by a declaration by the Minister under clause 3 could take the matter to court and have it adjudicated upon.

I think I have covered the main issues that the conference traversed. The conference was amicable, and it exhaustively examined the issues. I am glad to say that the managers from this House came away with the recommendations that I have put to the Council.

The Hon. C. M. HILL: I oppose the motion. I was one of the managers at the conference this evening, and, although the conference reached an agreement, I do not agree with that result. It is my right to come from the conference to this Chamber with that view, and I express it now. I also express my bitter disappointment in that the Government was most unyielding when the amendments which really counted in this whole area were not accepted.

In opposing the motion, I point out that this is the last stage of this legislation. If the motion now before the Council, moved by the Attorney-General, passes when it is voted on shortly, the Bill passes, and it will be in the hands of the architect of the measure, the Minister of Mines and Energy from another place, to proclaim it when he sees fit and then to use all the power and the might that this new and most unique Act will give him against citizens who have done nothing wrong except purchase shares. Indeed, the Minister is going to strip those people of that property.

I want the Council to be clear on the point that this is the last and crucial vote. In expressing my disappointment at the attitude of the Government to the amendments put forward and passed in this, the second Chamber, I condemn the Government for being so stubborn. The amendments were put forward in good faith. There was no doubt in my mind that they improved the measure, giving certain protection by way of appeals to individuals, in keeping with the normal practices.

Despite the need for improvement, despite the fact that the measure could have been fashioned into a reasonable Bill, fair to both the State and the people concerned, despite the fact that the public interest still would have been protected, the Government, in a most dictatorial way, continued on its unbroken course, and so we have the Bill before us in its present form.

It was not until a late hour yesterday in this Chamber, well after the Bill had been debated and passed by the other place, that the Government considered any amendments at all. At that late stage the Government decided to bring in some amendments on its own account, and it was pleasing that it did so. In the general wash-up of those amendments, which were debated and amendments which were moved by members on this side, we have a situation now where six amendments have been carried to the original proposal of the Government. We have a situation in which nine amendments were considered tonight and only one of those amendments has been altered as a result of the conference.

I agree with the Attorney that the change that was made tonight in regard to the vital clause 7 has been a great improvement to that clause, and I am sure that those who have expressed great concern about that clause as it appeared when the Bill was first introduced will welcome those changes which have resulted because of the conference held between the two Houses tonight. I do not intend to explain further the alterations to clause 7, because the Attorney has done that.

The other vital issues which, to my mind, are the ones on which the Government should have yielded were, first, the matter of the Government being bound to this law. The Act should have bound the Crown, and the only allowance that the Government has been prepared to give us on that account is the statement tonight by the Minister who said that, for the present, the Government does not intend to enter into State ownership or to take steps towards nationalisation. That, I must say with due respect, is a very weak explanation, because what does he really mean by "for the present"? There is no doubt in my mind that if this Bill passes tonight this Government has launched upon a programme ultimately to nationalise this enterprise.

The other major principle on which the Government was unyielding dealt with the question of appeal against the situation in which the Minister has the right to claim that certain interests are associated interests within this legislation. The protection that that amendment would have given individuals by way of appeal was a protection which individuals in this State should have enjoyed.

The third important matter on which the Government would not yield was the extension from six months to 24 months of the period of notice which was going to cause those who held shares in excess of 15 per cent to divest themselves of that excess. It is bad enough stripping a man of shares that he has purchased quite properly and within the law, but not to give him adequate time in which to dispose of that property is yet another action for which the Government stands condemned. That matter is not only of concern to individuals involved; it concerns the whole price of those shares on the share market. In turn that involves all the little people who have very small holdings in Santos. By this rapid action of the divestment of such a large parcel of shares, it is possible, and in my view it is probable, that the value of shares generally in this company could be depressed because of that Government action, whereas a longer period of time would have had a cushioning effect on the market in regard to price. Surely, it cannot be argued that that is not the fairest approach to that problem.

I hope that, if the measure does pass tonight and if the Bill ultimately becomes law, the Government, through its Minister and the people concerned (I am referring particularly to the Bond interests and the other substantial shareholder who apparently has shares in excess of what will be the given limit of 15 per cent) will treat together and endeavour to bring about change so that the least possible disruption occurs.

I would like to see the Government try to achieve the least possible disruption to the Santos company generally, and to the directors of that company and to the shareholders. I hope that it will act with great care and caution, because it has a duty to see that the least possible damage is done to the State when these radical changes are applied.

As I said in my second reading speech, I support some control of this enterprise in the public interest, but the Government has gone too far. If this Bill is defeated, the Government could then set about introducing new legislation more in keeping with the consensus of views of members of both sides of both Houses. Therefore, if the Bill is defeated it should not be taken to mean that its whole concept is opposed. All speakers on this side have agreed that there is some need for control; it is a question of degree and the manner in which that control is applied. I cannot support this Bill, and therefore oppose the motion.

The Hon. K. T. GRIFFIN: As one of the managers representing this House at the conference, I, too, must indicate that I cannot support the motion. It was a difficult conference, in which the Government was not in a conciliatory mood, but we considered every alternative with a view to reaching some reasonable agreement. It is not proper for me to disclose the details of the extensive debate which ensued during this conference.

I have already indicated on several occasions that, in view of the significance of the energy resource in the Cooper Basin, the dependence of this community on that resource, and the risks that could occur with respect to the control of that resource, I favour some measure of Government control in the management and exploitation of that resource in a context which does not interfere with the principles of free enterprise. I have also indicated that it is unfortunate that this Bill has come before this Chamber in an atmosphere dictated by one man's activities; the views of all parties have been coloured by that situation.

It is likely that legislation which is enacted to meet a specific difficult circumstance, when applied generally and universally, as this law will be in the future, will often create bad law; bad cases do not necessarily make good law. I believe that the amendments which were proposed, supported and taken to the conference, considerably improved the scheme proposed by the Government for some measure of control over the resource. I believe that they were important amendments, which should have been carried to enable the scheme to be read and construed reasonably not only to meet a specific difficult situation but for the future as well.

The four principal areas of amendment involved have already been related by the Hon. Mr. Hill and the Attorney-General. However, I will mention them again specifically and make several comments. The first area concerns the binding of the Crown. I believe that, in this type of legislation, the Crown should be prepared to be bound by the sorts of severe restrictions which it wants to place on enterprise in the private sector. If it intends to nationalise this company or the resource, it should be prepared to do it specifically and to have that intention debated by this House and in public.

It should not be in a position where it can nationalise by stealth, by taking the back door, by not having to aggregate its interests. It should be bound by the severe limitations of the private sector.

I believe, too, that the Minister's power contained in the Bill is a very extreme one which, in some circumstances, offers a temptation to apply a precedent. That is not to suggest that any one person will abuse that power, but in Government there ought to be checks and balances so that that abuse is not exercised.

The provisions that the Opposition sought to include in the Bill by way of amendments, which provided not only for a specific procedure for appeal from a declaration by the Minister that a group of shareholders was associated, but also for a specific criterion on which the appeal was to be decided by the court, was a reasonable check on the possible abuse of power in the exercise of the Minister's right to make a declaration. One must remember that the Minister is declaring that he is of the opinion that two or more shareholders are likely to act in concert with a view to taking control of the company or acting otherwise against the public interest. That provision is indeed a wide power and leaves very little remedy to an aggrieved shareholder if the amendment is not carried.

It has already been said in this context that the person who is aggrieved will have an opportunity to take the Minister to court on a prerogative writ with a view to upsetting the decision that has been made. However, everyone who practises the law will understand the difficulty involved in establishing a ground for having a decision of a court applied in place of the Minister's opinion. It is a most onerous obligation for an aggrieved shareholder, and is a most difficult one to establish. The provisions that Opposition members wanted to insert in the Bill would not have caused any more delay in the implementation of the procedures than the exercise of a shareholder's right to apply to the court by prerogative writ.

The other significant point is the requirement in clause 5 that the Minister may give to any shareholder or group of shareholders who have in excess of a 15 per cent shareholding in the company notice to divest himself or themselves of the excess shares within a period of six months.

The Hon. Mr. Hill has already indicated, as I have done previously, that, if that power was exercised strictly, a person with a substantial parcel of shares could be required to put them on the market within a limited period of six months, and that act will prejudice not only that shareholder but also all shareholders in the company by virtue of the significant depressing effect that such a dumping action will have on the open market.

I had hoped that the period of time would be extended but that is not to be. If the power is exercised strictly, it will be to the detriment of any shareholder with an excess of shares over 15 per cent as well as to every ordinary shareholder in the company. I hope that the Minister will not exercise it strictly but with some flexibility when dealing with shareholders in that position.

I cannot therefore support the recommendation before the Committee, because the amendments that Opposition members had originally moved are not to be included in the Bill to make it a more moderate and more comprehensive scheme. The Bill without them involves a considerable departure from the ordinary principles of the law as they should apply to such an enterprise as Santos.

The Hon. D. H. LAIDLAW: I support the recommendations of the conference, of which I was a member. It was a lengthy conference, and we discussed each of the amendments passed by the Chamber at length. The House of Assembly made one substantial concession to clause 7 (1) *(b)*, which gives the Minister power to annul by notice published in the *Gazette* any resolution passed at a general meeting of Santos. It has been agreed by the managers that the term to annul should stand for three months after the last of the shareholders or group of shareholders who at present hold more than 15 per cent have divested themselves of the surplus. This provision caused much unfavourable comment in the financial press of the Eastern States. I am pleased that the Minister has said that it is not the Government's present intention to acquire any substantial shareholding in Santos. As in the second reading debate and in Committee I stated my reasons for supporting the Bill, I would be wasting the Committee's time by restating them.

The Hon. M. B. DAWKINS: I must oppose the motion. As I said in my second reading speech, I have no brief for Mr. Bond or his corporation, but I believe that some control should be exercised on this matter. Therefore, I was prepared, with some misgivings, to support the Bill as it came out of Committee, but I cannot agree to the Government's overriding and over-bearing attitude when it has rejected out of hand all of the Opposition's amendments except one, which it has modified somewhat, and it has absolutely refused to bind the Crown. I believe that the Crown should be bound in a case like this, but I do not intend to elaborate on that matter now. Therefore, I

cannot approve of this legislation as it stands and, in these circumstances, as much as I wish to see outside interests curbed, I cannot support the motion.

The Hon. M. B. CAMERON: To describe this as an agreement from a conference is nothing more than farcical because there is no agreement, really. We have come out of the conference with an agreement that makes absolutely certain that the Minister can deny the rights of the shareholders of Santos to have any say at their meeting of 8 June. If they have their meeting, and the Minister decides that whatever has been done at the shareholders' meeting and whatever action they have taken, whether they are a majority of ordinary shareholders or of the ordinary shareholders plus the bigger shareholders, the Minister can say that that did not happen.

We will deny, by the passage of this amendment, the right of the shareholders to have any say whatsoever if the Government decides that way: that, to me, is totally abhorrent. I can recall this Minister who has introduced the Bill and who has refused these changes telling me that he believed in democracy. He said it time after time. The Party opposite has claimed to believe in democracy; yet, it is applying a provision that takes away the right of democracy in a company. Government members need not come here any more and preach to me or to this side of the Chamber, because they clearly do not believe in it. I predict that the Minister will, despite any motion passed at the special meeting of Santos, deny the right of the shareholders to have those motions stand, and he is protecting people in the company by doing this. That is his way of denying what was a reasonable amendment. The Minister will have the power to say that that meeting did not come to any conclusion.

The Hon. R. A. Geddes: Will the press be able to report it?

The Hon. M. B. CAMERON: I hope so, but what is the point of that? All that will happen will be that the directors who have been supporting the Government will have done the wrong thing, and the Minister will say, "No, the shareholders didn't say that at all, because I've cancelled that resolution."

It is absolutely farcical. Why leave the provision there? Why not take it out? What is the Government frightened of? The provision may as well be out. There must be some other purpose for having it there. The whole Bill has not had my support, because I believe that the matter could have been resolved by agreement between the parties. Agreement could have been reached before the Minister launched into the press and attacked the corporation. However, I believe that he did not want to reach agreement before the legislation was passed, maybe because he knew he had support for it, or maybe because he likes to bully people, including this corporation, into agreement.

I have heard mutterings around the corridors that, if we do not pass the Bill, an election will be held. I totally reject that type of politics, which is blackmail of this Council, and I hope that no member's vote has been influenced by that threat. Because I believe that agreement could have been reached, this morning, when I contacted a person in the Bond Corporation to find out whether the corporation still was prepared to come to some agreement without the necessity for this measure, that person told me that that always had been the case and that the corporation still was prepared to come to agreement and to write into its articles the restrictions that the Government wants on voting rights, and it is also prepared to negotiate with the Minister on the number of shares held by any one group.

I ask the Government to cancel the matter of voting on this motion now. Let us hold up this vote until such time as the Minister can see whether agreement can be reached. We should not put this legislation on the Statute Book if we can reach agreement without it. Surely it is important that we do not put on the Statute Book legislation that sets a precedent if we can avoid doing that. I am sure that what I have suggested will have the support of all parties associated with the Santos company. It would be wrong to pass this legislation when agreement could be reached, when the whole purpose has been to persuade the Bond Corporation to reach agreement.

The legislation is unnecessary, and before long we will be brought back to deal with other legislation in regard to another company. I appeal to the Committee to reject this legislation. Although I do not know the procedure in this situation, I appeal to the Government to hold this vote over, if possible, and perhaps bring Parliament back next week, ascertaining in the meantime whether agreement can be reached. The Attorney-General said that a period of six months was necessary so that Santos could reach stability. In the past two weeks the Government has taken action that has totally destabilised the company. The Government now says that it wants six months in which to bring stability back and rectify another error of judgment. The legislation has been introduced because the Government showed an error of judgment in the first place.

The Hon. J. C. BURDETT: I oppose the motion. I have made clear throughout that I agree that some measure of control is necessary but that my opinion is that the Bill goes too far and gives the Minister too much power and power that is too arbitrary.

I was not very pleased with the Bill the way it came out of Committee, but nevertheless amendments were passed by the Council. One of the amendments related to the power of the Minister to annul resolutions of general meetings and it has been in this area only that some agreement was reached by the conference. I will acknowledge that in this area the departure from the Bill has been one of substance. Nevertheless, I have no doubt, and it is perfectly obvious, that the Minister is reserving to himself the right to annul any resolutions that may not please him, which may be passed at the extraordinary general meeting of 8 June. In three important other areas, no compromise was reached at all. Those areas relate to binding the Crown, to an appeal procedure, and to the period within which the Bond Corporation and A.G.L. must divest themselves of shares.

In my view, the amendments that were carried by the Council were reasonable and proper and gave the Government adequate control. With the one exception I have cited, there has been no compromise on this matter. There was an area for compromise on all the matters, and I am dissatisfied with the Bill as it will stand if this motion is carried. The Government has had an opportunity to improve the Bill, suggestions have been made, and amendments have been carried. However, as the Bill stands, I must oppose the motion.

The Hon. R. A. GEDDES: The Hon. Mr. Cameron's remarks contain wisdom that the Government should heed. The Bond Corporation will be severely and rapidly stripped. The amendments moved by the Opposition were moved not lightly but after much thought and various interviews with the principal parties concerned. These amendments were designed to help the person who is holding possibly the top hand now in Bond Corporation but who will, after the proclamation of the measure, become the underdog. I am appalled by this degree of ruthlessness and over-legislation. It also shows a degree of

incompetence and insecurity in the Government. Only the Minister can answer these allegations.

However, far more important things must be considered at this stage, because those who will control the Cooper Basin control also, to a marked degree, the future economy of the State. This State, as we all know, is not blessed in the short term with a great deal of mineral potential, unlike Queensland, New South Wales, Victoria or Western Australia. We do know that the Cooper Basin is viable and that there are reserves for the immediate future, or up until the year 2000-plus. We know that the feedstock necessary for the petro-chemical industry is available and that, when the petro-chemical industry is operating, the savings to the nation, as well as to the State, will be enormous from the finished products (plastics, caustic soda and a myriad of other things that that industry can produce). We know, too, that employees will be needed for the petro-chemical industry, and the infrastructure will be of great moment to the State.

We know that the Cooper Basin has some proven oil reserves; small as they may be, they are reserves that in not many years in the future will benefit the massive transport industry in Australia. Of course, we know that the Cooper Basin is supplying Sydney and Adelaide; that the population and the industrial growth of the New South Wales market are immense; and, hopefully, that South Austalia's industrial growth will be reasonable in the future. Honourable members must judge the wisdom of rejecting the legislation and placing the ownership of the Cooper Basin in the hands of a group of people who have no previous experience whatsoever of oil exploration and who have the express intention of using the assets of Santos for other purposes.

We must judge for ourselves the effect that the world energy crisis will have on the State as the Bass Strait oil reserves become exhausted and as more and more petroleum has to be imported. We must judge whether the amendments that the Opposition supported are more precious to our principles than is the proven performance of Santos and whether the ideals to which Mr. Bond subscribes are preferable to the performance that we know Santos has revealed in the past 25 years.

I declare that I will support the Government, because I believe that the energy available from the Cooper Basin must be kept under close control for the benefit of the State and the nation. Finally, may all of you who oppose this Bill go home in your cars to your heated homes, enjoy your meals, cooked by gas or electricity, experience the comfort of your electric blankets, look at these modern luxuries, and try to think what it would be like if the basic energy supply of natural gas to this State were to be denied to us.

The Committee divided on the motion:

Ayes (13)—The Hons. D. H. L. Banfield, F. T. Blevins, T. M. Casey, B. A. Chatterton, Jessie Cooper, J. R. Cornwall, C. W. Creedon, J. E. Dunford, N. K. Foster, R. A. Geddes, D. H. Laidlaw, Anne Levy, and C. J. Sumner (teller).

Noes (6)—The Hons. J. C. Burdett, M. B. Cameron, J. A. Carnie, M. B. Dawkins, K. T. Griffin, and C. M. Hill (teller).

Majority of 7 for the Ayes.

Motion thus carried.

Later:

The House of Assembly intimated that it had agreed to the recommendations of the conference.

The PRESIDENT: I should like to indicate to honourable members that this is one of the best debates that I have seen conducted in this Chamber since I have been President, and I wish to congratulate both Leaders and all honourable members who contributed to the debate for the manner in which they have put their minds to the matter and conducted themselves.

ADMINISTRATION OF ACTS ACT AMENDMENT BILL

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

The Hon. J. R. CORNWALL (Minister of Lands): I move:

That this Bill be now read a second time.

Its main purpose is to insert a new provision in the Administration of Acts Act, 1910-1978, empowering the Governor to constitute Ministers as bodies corporate. It has been found desirable to do this in the past in several instances; at present the Ministers of Agriculture, Lands and Public Works are bodies corporate. The Government now proposes that the Minister of Water Resources be constituted as a body corporate, and it may well become necessary to extend incorporation to other portfolios in the future. Previously, Ministers were given corporate status by specific Acts of Parliament. However, the Government considers it desirable that there be a general power that can be utilised readily without resort to legislative process. The Administration of Acts Act, 1910-1978, is an appropriate Statute in which to include such a power.

This Bill also repeals the Ministers' Titles Act of 1944, which deals with the incorporation of the Minister of Works. This Act, which is now somewhat outdated, will not be necessary after the passage of the present Bill.

Clauses 1 and 2 are formal. Clause 3 amends section 5 of the principal Act, which is concerned with Ministers who are constituted as bodies corporate, by adding new subsections designated subsections (2) and (3). The former empowers the Governor to proclaim that a Minister be constituted as a body corporate. The proposed subsection (2) also empowers the Governor to proclaim Ministers administering specific Acts or carrying out specific statutory functions, and their successors, to be constituted as bodies corporate, and to grant corporate status to persons holding or acting in specified statutory offices. In addition, the Governor is empowered to dissolve any body corporate constituted under the proposed provisions. Subsection (3) provides that, where a body corporate is established under subsection (2), its name shall be the official title of the Minister or officer constituting the body corporate, unless the proclamation provides otherwise. Clause 4 repeals the Ministers' Titles Act, 1944.

The Hon. J. C. BURDETT: I support the second reading of this Bill, which I am satisfied is purely administrative and is designed simply to facilitate the ordinary functions of Government. I understand that the specific difficulty arose out of the splitting of what was formerly the portfolio of Minister of Works. It has now been split in such a way that the Hon. Mr. Wright, who now holds the portfolio of Minister of Public Works, in fact administers the Public Buildings Department only, most of the other functions of the department being administered by the Minister of Water Resources.

The difficulty has been that the Minister of Water Resources has found that he has not the status or title, under the Ministers' Titles Act, to carry out the ordinary functions of office and has, I believe, had to do so as Acting Minister of Works, having had that authority deputed to him by the Minister of Works.

It is important to note that this Bill does not give, or enable the Government to give by proclamation, any new

power to the Minister as a body corporate that he did not have before. It merely gives him the status as a legal entity as a Minister in much the same way that other bodies corporate have artificial legal personalities. I refer to companies incorporated under the Companies Act, as well as to local government bodies. Her Majesty the Queen is, of course, a corporation sole.

The Bill enables the Governor by proclamation to constitute any Minister for any purpose as a body corporate. I stress (because it is important) that it does not give the Minister any powers that he would not otherwise have. Those powers are determined by a special Act, and they will remain. The Bill does not give the Governor any authority to change those powers: to add to them, or to derogate from them.

Although the Bill can be said to give some privileges to a Minister who is created a body corporate, in that he will be able to carry out legal acts in his own name as Minister (such as to hold title to property, and so on), it also imposes an obligation, as the Minister will be able to be sued. It has been the practice in the past to constitute certain Ministers for certain purposes as bodies corporate, and the Bill simply gives a general power.

Certainly, I always scrutinise most carefully Bills that may enable the Government by administrative act, simply by proclamation (so that it does not come before Parliament), to change existing powers or to give additional powers. I am satisfied that the Bill does not do that but simply facilitates the proper administration of Government, and I therefore support the second reading.

The Hon. K. T. GRIFFIN: I, too, support the second reading. I also support the remarks made by the Hon. Mr. Burdett regarding the ambit of the provisions of the Bill. I noticed that some concern was expressed in another place regarding the reference to "other officer" in clause 5 (2) *(d)*. However, I am satisfied, on reading it rather quickly, that it is sufficiently clear to ensure that the other officer must be within the ambit of the clause as drafted.

I have had only a limited time to peruse the proposed amendment, but in that time I have come to the conclusion that it appears, on the face of it, not to have any sinister overtones and that it is desirable to enact the legislation and to facilitate some of the administrative arrangements the Government wants to make with respect to its Ministries.

The Hon. C. M. HILL: The history of the corporate entity being associated with portfolios in the South Australian Parliament probably goes back to the time when commissioners held Ministerial office and yet did not hold the title of "Minister". It is, therefore, in my view, another step in somewhat of an evolution in the area of Ministerial title and responsibility that this Bill is before us.

The Bill will further improve the efficiency of administration at Ministerial level. It may be of interest to note that up until 1944 we had a Commissioner of Crown Lands and a Commissioner of Immigration, and that in that year he was given the new title of Minister of Lands. We also had in the South Australian Parliament until 1944 a Commissioner of Public Works, a Commissioner of Waterworks, a Commissioner of Water Conservation and a Commissioner of Sewers, and the gentleman holding those titles was in that year made Minister of Works. Also, there was a Commissioner of Forest Lands, who became the Minister of Forests.

The corporate character of those portfolios has carried on. It may not have been present previously with some Commissioners, because in 1947 the Minister of Lands was made a separate body corporate by an individual Bill. Therefore, if the Government wished to solve the problem that has been facing it by alternative methods, it would have had to bring in a separate Bill to create the Minister of Water Resources a corporate body, as I see it. It is obvious that, each time a new portfolio was created, some procedure would have had to be followed to enable the holder of that portfolio to be a corporate body.

As the Hon. Mr. Griffin and the Hon. Mr. Burdett have explained, in future the matter can be dealt with by proclamation. I understand that inconvenience has been caused since portfolios were changed a short time ago and the Minister in the Lower House who has been given the portfolio of Minister of Water Resources cannot act as he should be acting, because that portfolio is not a body corporate. I understand that that Minister has had to accept the role of Acting Minister of Works. The difficulty arose because the portfolio of Minister of Works was split in the change. Whereas previously the Minister had administered the Public Buildings Department and the Engineering and Water Supply Department, under the new arrangement Mr. Wright has been given the portfolio of Minister of Public Works but only in so far as it pertains to the Public Buildings Department, and the other activity involving the E. & W.S. Department has been given to Mr. Payne, who has not been able to carry out his duties as Parliament would wish. I support the Bill. At times like this, when it is necessary to assist the Government, Parliament should act as quickly as possible.

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

RETIREMENT OF MR. O'CONNELL

The Hon. C. J. SUMNER (Attorney-General): In the rush of the last day or two we have overlooked one matter. This morning in another place credit was paid to one of the *Hansard* reporters, Tom O'Connell, who is about to retire. I would like to add my words of thanks to the thanks and good wishes expressed in another place to him on his retirement. We thank him for the work that he has done in Parliament as a *Hansard* reporter, a task that I am sure requires Herculean efforts to maintain over a long period. I am also disappointed that Tom will be unable to participate in our annual cricket match.

In fact, the one occasion that Parliamentarians have been able to beat the press was about three years ago when Mr. O'Connell made a very significant contribution. We will also miss him in that area, but perhaps in the future he might like to come down and do some umpiring for us. I do not want to delay the sitting of the Council at this time, but I thought it appropriate that I should express these best wishes to Tom and wish him well in his retirement.

The Hon. C. M. HILL: I support what the Leader has said in thanking Mr. O'Connell for the service he has given to Parliament during his long career here. We on this side of the House wish him well in his retirement as we have always held him in very high regard. He has been a gentleman of very strong will at times. I recall one occasion when he got so cross with himself that his pencil dropped over the top of the *Hansard* balcony and landed on the President's head. I suppose that sort of thing occurs with everyone. We express our appreciation for the work that he has done in the service of this Parliament, and we trust that his retirement will be a long and happy one.

The PRESIDENT: Everyone must agree with those

sentiments expressed by the Attorney-General and the Acting Leader of the Opposition. We had some good words to say about Tom previously; and I am sure that we all wish him well.

ADJOURNMENT

At 12.38 a.m. the Council adjourned until Tuesday 31 July at 2.15 p.m.