LEGISLATIVE COUNCIL

Wednesday 30 May 1979

The PRESIDENT (Hon. A. M. Whyte) took the Chair at 10.30 a.m. and read prayers.

QUESTIONS

ELDERLY CITIZENS

The Hon. J. E. DUNFORD: I ask the Minister of Agriculture, representing the Minister of Health, a question about a report on page 10 of today's *Advertiser* headed "Elderly fed on $1·05 a day."

The PRESIDENT: Do you wish to have leave to make a short statement?

The Hon. J. E. DUNFORD: Yes.

Leave granted.

The Hon. J. E. DUNFORD: I have no reason to disbelieve that report. If it is true, it is an indictment of the free enterprise and capitalist system in this country. One only has to go to communist countries (at least, to those to which I went) to see that those countries look after the elderly and young much better than the way referred to in this report. When I read it, I recalled that last week my wife had said to me, "You will have to give me more money from the pay packet to feed Sheba." Sheba is not my daughter but one of my dogs, and my wife required $3 a week more to feed a dog that is not over-fed, making the cost about the same as it is to feed these people.

After I had visited several hostels in the city area some time ago, I wrote to the previous Minister of Health asking that the subsidy paid to the hostels be increased so that the people could be better fed and accommodated. I have not yet received a reply to the letter, but I now wonder whether what I suggested was a good idea, because the hostels already receive a fortnightly subsidy of $15, which seems to be all that is being used to feed the people, and the $99 paid by residents is going to the owners of the hostels.

The PRESIDENT: I point out that the honourable member has had time to explain the question.

The Hon. J. E. DUNFORD: I know, Mr. President. I thought you would show me more leniency. It is disgraceful to read that older people who have not unions and organisations and who need something from the Government should be in that position. I ask the Minister to request Peter Duncan, who, I know, will be seriously concerned about the situation, to have a top-level inquiry into the establishment mentioned in this report and other establishments where the position may be worse, although I hardly think it would be.

The Hon. B. A. CHATTERTON: I will refer the question to my colleague and bring back a reply.

HOUSE BUZZERS

The Hon. ANNE LEVY: The question I address to you, Mr. President, concerns the Council buzzers, and I seek leave to make a short statement.

Leave granted.

The Hon. ANNE LEVY: About 10 minutes ago, when the Council buzzers sounded throughout most of this building to summon members to this Chamber, I was on the first floor of the building and found that no buzzers could be heard in that section of the building. Would it be possible to ensure that the buzzers are heard in every part of the building on every sitting day?

The PRESIDENT: I will certainly take up the matter with the technician, and ask him to check the system and to check it more regularly.

MINI-BUDGET

The Hon. F. T. BLEVINS: I seek leave to make an explanation prior to asking a question of the Minister of Agriculture.

Leave granted.

The Hon. F. T. BLEVINS: Honourable members will be aware of the rather horrendous mini-Budget brought down by Mr. Howard last week and of its serious implications for the well-being of all Australians, but the particular group that concerns me and the Minister are those who live and work in rural areas. The part of the mini-Budget that caused me much concern is the savage reduction in money available for rural reconstruction grants. Can the Minister say what effect this reduction in grants will have on people, particularly those in the Riverland who are already experiencing grave difficulties in primary-producing and other areas because of previous decisions made by the Federal Government?

The Hon. B. A. CHATTERTON: I think that the justification the Commonwealth Treasurer gave for the reduction in money available to rural industries (and, as the honourable member has said, it was a savage reduction) was that rural industries are currently prosperous, because of the good seasons throughout southern Australia. However, this situation does not apply to people in the Riverland, who have no prosperity at all. They have had grape surpluses now for several years, and are suffering acutely indeed, because of the difficulties facing the grapegrowing industry. The reduction in money available for rural reconstruction will be a most savage blow to those people.

We were hoping that at least some of them could adjust out of grapegrowing into other crops and, in some way, would be able to have a better future and better life. As a result of the reduction in money available for rural reconstruction, and because of the failure to develop alternative crops and enterprises for those people, I think that their future is even bleaker than it has been in the past.

The other blow to people in the Riverland has been the I.A.C. report on the wine grapegrowing industry. I hope that the Federal Government takes absolutely no notice of that report, because its recommendations deal another savage blow to people in that area. They have been hard done by as a result of the decisions of the Commonwealth Treasurer to increase the excise on brandy and to reduce the money available to them to adjust out of brandy producing and grapegrowing into other enterprises.

MURRAY RIVER POLLUTION

The Hon. N. K. FOSTER: I seek leave to make a statement prior to asking a question of the Minister of Lands, representing the Minister of Water Resources.

Leave granted.

The Hon. N. K. FOSTER: My question concerns the Murray River water system as it affects South Australia. For some years now, it has often been said that the Murray River is the lifeline of South Australia. Whilst it is one of the principal waterways of the Commonwealth, it could be compared to some of the principal waterways in Europe as being the most polluted stream in Australia.

The pollution ultimately finds its way into South Australia, where the mouth of the river is. We all recall the Dartmouth scheme, which followed the controversy concerning the proposal for Chowilla dam. We were

assured, at the time construction of the Dartmouth dam was commenced, that, when the Dartmouth dam came on stream, there would not be a great percentage increase in irrigation farther up the river from South Australia. However, reports indicate that that is not the case. I express the concern that I am sure is being widely expressed in South Australia today about the Murray River system. I want to ensure that agricultural pursuits associated with the Murray River in South Australia will not be in danger. A study could be made in the Moonbri Range in New South Wales where rivers like the McLeay River could be turned west into the Darling River system. I realise that such a scheme could be prohibited because so many Governments would be involved—the Federal Government, and the Governments of Victoria, South Australia, New South Wales, and Queensland.

In addition, one must come down on the side of those who have condemned development in the Albury-Wodonga area. Here again, South Australia is suffering as a result of such development. Will the Minister ascertain from his colleague whether or not a matter of great importance to South Australia (the injection of fresh water into the Murray River system in South Australia) can be investigated and whether or not at this late hour further representations can be made to prevent the other States from increasing their irrigation requirements, which result in further pollution and increasing salinity in the Murray River?

The Hon. J. R. CORNWALL: Sharing the honourable member's concern, I shall be pleased to refer his question to my colleague and bring down a reply.

MENZIES MEMORIAL TRUST

The Hon. T. M. CASEY: I seek leave to make a short statement before asking a question of the Attorney-General, representing the Premier.

Leave granted.

The Hon. T. M. CASEY: Earlier this month the Governor-General, Sir Zelman Cowen, launched an appeal for the Sir Robert Menzies Memorial Trust. No doubt honourable members have received copies of the circular that I have with me at present. The aim of the foundation is to encourage better health, greater knowledge of health, and greater enjoyment of recreation. The circular states:

> How it will work:
>
> By promoting or creating, on expert medical advice:
>
> - The study of human performance through research in medical schools and elsewhere in health, fitness and physical achievement.
> - Public education in health, fitness and physical achievement.
> - Better recreation facilities for the community.

The Commonwealth Government will match donations dollar for dollar. Has the State Government considered this matter, and will it contribute to this trust?

The Hon. C. J. SUMNER: This matter is under active consideration by the Government at present, and the extent of any contribution by the State Government is being considered. As soon as any decision is made I will bring it to the attention of the honourable member and of the Council.

LAW REFORM

The Hon. K. T. GRIFFIN: I seek leave to make a brief statement before asking the Attorney-General a question about law reform.

Leave granted.

The Hon. K. T. GRIFFIN: In July last year I expressed some views in my speech in the Address in Reply debate about the need to upgrade the facilities for law reform in this State beyond the Law Reform Committee, which presently undertakes the quite extensive task of recommending reforms to the law. The committee is presently constituted of part-time members, who really have insufficient time available for the task. Limited research staff and inadequate facilities are available to undertake the extensive task of reviewing the law. I expressed the view that there should be at least some full-time commissioners as members of a permanent law reform commission, with adequate staff and facilities, access of the public to the commission, and the right of the commission to initiate its own research in areas of law that required reform.

Does the Attorney have any plans to review the area of law reform in South Australia with a view to establishing a full-time commission with some full-time members, or to review the adequacy of the staffing of such a commission (or the present Law Reform Committee), providing adequate facilities for the extensive task?

If the Attorney has plans, will he indicate what they are? If the Attorney has no plans at present, will he undertake a review of this area of law reform and in due course give the result of that review?

The Hon. C. J. SUMNER: I have no immediate plans to undertake a review of the system whereby law reform measures in this State are considered. The Law Reform Committee, under the chairmanship of Mr. Justice Zelling, has worked, I believe, very effectively. It is a very distinguished and learned committee and has some research back-up. When the honourable member says that is is a part-time committee, that is true, but the Chairman certainly spends a reasonable amount of time in this area.

It is not just through the Law Reform Committee that law reform matters come to the notice of the Government or the public of South Australia; the honourable member will know that the whole area of criminal law was the subject of an inquiry by a separate committee and that is an on-going inquiry. The inquiry, which was set up in 1971 by the present Chief Justice, Mr. Justice King, when he was Attorney-General, had as its charter a review of the whole of the operation of criminal law in South Australia. It will have a continuing brief.

In addition, other specific law reform matters are from time to time taken up by specialist committees. In that context I refer to a committee chaired by a former justice of the Supreme Court, Mr. Justice Bright, on the rights of handicapped people. That committee has presented a report, which the honourable member may have seen, about the rights of physically handicapped people. It is currently considering a reference on the rights of mentally handicapped people.

To my mind, there seem to be adequate avenues available for law reform to be considered, either by specialist committees or, in the general area of law reform, through the Law Reform Committee chaired by Mr. Justice Zelling. The honourable member has made certain allegations regarding inadequate time for consideration of law reform matters, and a limited staff, allegations that I do not believe have any justification; at least, they have not been expressed to me in very strong terms by any members of the Law Reform Committee or by the Chairman of that committee.

As the honourable member has raised these matters in this context, I will undertake to discuss the problems, if there are any, with the Chairman of the Law Reform Committee and see whether he and the committee are

happy with its operation and believe that they are able to do the job adequately.

MOTOR AUCTION

The Hon. J. E. DUNFORD: I seek leave to make a brief statement before asking a question of the Attorney-General.

Leave granted.

The Hon. J. E. DUNFORD: In the *Advertiser* (I do not read it much) this morning in the used car section appears an advertisement under the heading "Universal Motor Auctions, 198-208 Waymouth Street, phone 51 4676, sale every Wednesday 11.30 a.m.". There is then a list of vehicles to be offered for auction, and at the bottom the advertisement states:

This is a trade auction
AUCTION EVERY WEDNESDAY
NO SALE—NO CHARGE
LMVD No. 1644

This is the sort of caper that the Hon. Mr. DeGaris could get up to. It is serious. I went to that auction a few weeks ago and noticed vehicles going very cheaply.

The Hon. C. M. Hill: Did you put in a bid?

The Hon. J. E. DUNFORD: Before I put in a bid a bloke sidled up to me (he looked like Mr. Hill) and said, "What are you doing here?" I said I was looking at the auction and was thinking about buying a car.

The CHAIRMAN: The honourable member said he was going to be brief in his explanation.

The Hon. J. E. DUNFORD: I want to tell you what happened. I said that I wanted to buy a car and he said, "Are you in the trade?" When I said that I was not, he said that I could not buy a car at that auction. I noticed that cars were being knocked down cheaply, and that a friendly atmosphere existed amongst the agents of free enterprise at that auction. I thought there was something crook going on and that the Attorney would soon find out if that were so. Therefore, will the Attorney, as Minister of Prices and Consumer Affairs, investigate that auction to ensure that there is no collusion amongst dealers, and to determine whether or not the exclusion of the public from participating in the auction is a breach of the Trade Practices Act?

The Hon. C. J. SUMNER: Unfortunately, I have had other things on my mind this morning and did not see the advertisement to which the honourable member refers, but certain allegations have been made by him and I will have them investigated and advise the honourable member.

HEALTH AND RECREATION

The Hon. N. K. FOSTER: I seek leave to ask a question of the Attorney-General concerning cut-backs by the Federal Government in the health and recreation areas, and I will refer to the Menzies appeal.

Leave granted.

The Hon. N. K. FOSTER: I was surprised to learn today that the State Government may be considering participating in the Robert Menzies commemoration appeal, which is directed towards further studies in health and recreation. I believe that the Prime Minister has more than a thick hide when his Treasurer, under his instructions, will rip off in South Australia about $10 000 000 to $12 000 000 in the health and recreation areas, yet he can appeal to the people of South Australia for funds for that purpose.

The PRESIDENT: I do not believe that the honourable member is explaining his question at all. Will he move on to his question?

The Hon. N. K. FOSTER: The question involves the matter of health. I do not want to delay the Council unduly, but I think that the question could be couched in terms that cover forms of criticism that could be legitimately made against those making the appeal. Having done that, I ask the Leader of the Government in this place to ascertain the actual amount involved in the cutbacks in health and recreation, the areas that it is hoped will benefit from the Robert Menzies appeal. Also, can the Minister ascertain the period of time that this appeal will run, since I understand that no closing date has been set?

The Hon. C. J. SUMNER: I did say that the attitude of the State Government to this appeal is currently under consideration by Cabinet, and that I will advise the Hon. Mr. Casey when a decision is reached. I will also advise the Hon. Mr. Foster when a decision is taken. I will certainly ascertain the information that the honourable member has requested. I would agree with him that substantial cuts have been made by the Fraser Government in the past few years in the areas of health and recreation, the areas that the appeal for the Sir Robert Menzies Commemoration Trust will cover. There is absolutely no doubt in the minds of Government members that substantial cuts have been made in this area. I will obtain the precise details for the honourable member as soon as I can.

FILMS

The Hon. N. K. FOSTER: I wish to direct a question to you Mr. President, about the facilities available in Parliament House for the showing of films. The question is whether or not you have any involvement or influence in that area.

Leave granted.

The Hon. N. K. FOSTER: The introduction of advanced and almost destructive technology in the Western world is one of the most vexed and complicated arguments that we will face in the next months, let alone years. There is a film which I understand can be made available in Adelaide and about which I will give a brief explanation. It is titled *When the Chips are Down:* it has nothing to do with the wood chip industry, for the benefit of the Minister of Agriculture. The film derives its name from the silicon chips used ultimately to programme particular types of advanced technological machinery. It deals also with the effect that this will have on the keyboard section of employment. It refers to technological capabilities of completely replacing all factory workers engaged in any form of manufacture on what we refer to as the production line, and it shows, in fact, where this type of technology is being used in Italy, America and other parts of the world.

The PRESIDENT: You will spoil the ending directly.

The Hon. N. K. FOSTER: It also deals with the complete and absolute technology of warehouse packaging and, to some extent, with the supermarket industry. This film ought to be made available to members of Parliament. Have you, Mr. President, influence or jurisdiction over what films are shown in this building, and will you use such influence to ensure that that film is made available for screening in Parliament House?

The PRESIDENT: I shall be happy to take up the matter with the Speaker of the House of Assembly and with the Joint House Committee, and I will give the honourable member the reply.

SANTOS (REGULATION OF SHAREHOLDINGS) BILL

Adjourned debate on second reading.
(Continued from 29 May. Page 93.)

The Hon. C. M. HILL: The Council is meeting in rather unique circumstances, in that the Government announced some weeks ago that it proposed to open Parliament on 31 May but, after official notices had been dispatched, a sudden decision was made to meet a week earlier on 24 May. His Excellency said in his Speech at the opening last Thursday:

> My Government has advised me to call you together today, earlier than had previously been expected, because of its concern over the Cooper Basin natural gas deposits.

Apparently the only legislation which the Government intends to consider prior to a further long adjournment until the end of July is this one major Bill which is before us, which was explained yesterday at considerable length by the Attorney-General and which the Government requires to be dealt with today and tomorrow. The Bill has been introduced into this Council in the same form that its architect, the Minister of Mines and Energy (Mr. Hudson), introduced it into the other place last week.

Valiant efforts were made in the other place by the Opposition to improve the Bill but all appeals for change, including amendments to ensure justice to the individual citizen most affected by the measure, fell on deaf ears. This Council must now make its own review of the legislation.

The Bill proposes to limit the shareholdings in Santos Limited, the company which is the operating company in the Cooper Basin. That basin supplies natural gas to the Electricity Trust of South Australia, to South Australian industry and to the South Australian Gas Company for distribution to domestic consumers in this State, as well as supplying New South Wales consumers through Australian Gaslight Limited. The Bill empowers the Minister to divest a shareholder of Santos Limited or a group of associated shareholders within Santos Limited of all shares over a ceiling ownership of 15 per cent. The Bill goes to considerable lengths to ensure that a group of associated shareholders as defined shall not be in control of more than the optimum quota of 15 per cent.

Clause 7 of the Bill gives the Minister power to annul a resolution of a general meeting of the company which has been passed as a result of the admission of votes that should not, in view of the provisions of the Act, have been admitted, or to annul any resolution of a general meeting of the company which is contrary to the public interest. The judgment as to whether such votes should be or should not be admitted, or whether the resolution is or is not contrary to the public interest, is left to the opinion of the Minister.

Lastly, the Bill provides machinery for the sale of forfeited shares as a result of the Government's proposal, and the net proceeds of such sale shall be paid to the person from whom the shares were forfeited. In accordance with the practice and custom of members on this side of the Council, members who speak will explain their own views on the Bill. Some have already made known their opinions on the Bill, or on the principles relating to, or involved in, the Bill.

All members on this side will vote as they think best in the interests of the South Australian people, and the State generally. Quite understandably, such opinions will differ in some respects. On the vital principle which emerges from the legislation (and which should be settled once and for all) as to whether the public interest in South Australia should be protected as regards the sole supplier to this State of this particular and vital energy resource, I am of the view that some protection should exist.

In keeping with the State's control over electricity production and supply and State control within the South Australian Gas Company Ltd., some limitation on the power of any one single shareholder is not an unreasonable concept. Accordingly, I intend to vote for the second reading of the Bill so that amendments can be considered that will change the Bill considerably but allow that concept to remain. I will not support the third reading of the Bill unless satisfactory alterations have been made.

There are grounds for extreme criticisms that are being levelled against the Bill in its present form. The Government and the State have already suffered as a result of the measure. If it becomes law in its present form, the State will suffer further. The Government's action brings to the surface once again the socialist ideology and goals of the Labor Party and, in particular, of the Minister who is the architect of this Bill. I mention these criticisms in some detail. First, the democratic processes of Parliament—

Members interjecting:

The PRESIDENT: Order! This is not a debate in which I intend to allow interjections in any quantity.

The Hon. F. T. Blevins: But that was one of great quality.

The PRESIDENT: It did not appear so to me. I will make that judgment. Nothing would please me more than to make the numbers uneven in a debate such as this.

The Hon. C. M. HILL: The democratic processes of the Parliament are being circumvented by the undue haste with which the Government is forcing this Bill through both Houses. The Government gave notice that Parliament was to be opened on 31 May, and the people were told publicly that this urgent measure would be introduced. The company involved then gave notice of an extraordinary general meeting.

The Hon. N. K. FOSTER: I rise, Mr. President, not so much on a point of order, but to say that I am amazed at your statement, if I heard you correctly. If I did not hear correctly, then certainly I will apologise. I thought I heard you say that nothing would please you more than to make the vote more uneven in this House than it might be normally. I deplore that statement, and I make no further reference to it.

The PRESIDENT: It is not a point of order. The honourable member is referring to a statement I made. The Hon. Mr. Hill.

The Hon. C. M. HILL: The democratic processes of the Parliament are being circumvented by the undue haste with which this Government is forcing this measure through both Houses. The Government gave notice that Parliament was to be opened on 31 May, and the people were told publicly that this urgent measure would be introduced. The company gave notice of an extraordinary general meeting to be held on 8 June. That notice of meeting indicated that the shareholders were to be asked to condemn the Government and this legislation. The resolutions contained in the notice, which was dated 15 May, state:

> 1. That the shareholders condemn as contrary to the interests of all shareholders the action of the South Australian Government in proposing legislation:
>
> to restrict the maximum number of shares in the capital of the company which can be held by any shareholder; and
>
> to require any shareholder compulsorily to dispose of any shares in the capital of the company.
>
> 2. That the company do all such acts and things as are necessary or desirable in order to deter or prevent the South

Australian Government from enacting legislation to restrict the maximum number of shares in the capital of the company which can be held by any shareholder.

3. That the company do all such acts and things as are necessary or desirable in order to deter or prevent the South Australian Government from enacting legislation to require any shareholder compulsorily to dispose of any shares in the capital of the company.

4. That the company do all such acts and things as are necessary or desirable in order to deter or prevent the South Australian Government from enacting legislation otherwise adversely affecting the interests of the company and its shareholders.

5. That the directors forthwith shall undertake and do all such acts and things as are necessary or desirable in order to implement and give full effect to the provisions and purposes of resolutions 1, 2, 3 and 4.

On seeing the notice, the Minister promptly brought forward the opening of Parliament to 24 May, so that he could force the Bill through Parliament before the shareholders could meet.

For this Bill, described by the Minister in his second reading explanation as "one of the most important pieces of legislation introduced in the history of the State", this Minister allowed one day (last Friday) for debate by the Opposition in the Lower House. I understand that that was the first time in the history of this Parliament that the House of Assembly has sat throughout a Friday.

Now, in his headlong rush for finality, he is giving this second Chamber one day also for the Opposition to debate and argue its case in the second and third reading, and Committee stages. Now, if Government members in this Council had a proper understanding and appreciation of the democratic process within the bicameral system, they would insist upon one of the basic functions of a House of Review, namely, that of delay.

The Government members in charge of business in this Council should delay this Bill, because it has been rushed through the Lower House in undue haste, because the shareholders of the company involved are prevented from expressing an effective opinion and because the public at large need more time to understand its ramifications and make their views known to their Parliamentary representatives. But this Government will not delay in its own right, nor agree to any delay, and so a fundamental function of this second Chamber is being treated with disdain. Therefore, the shareholders are being held to ransom by the Minister, and the Government makes a mockery of democracy by rushing this legislation through Parliament.

Secondly, in wielding its power and might, the worst action the Government is taking is the actual penalty imposed upon the individual most concerned. He is being stripped of property under the force of a new law. Retrospective legislation to achieve such a goal and to so impinge upon a citizen's basic rights in that way is surely condemned by the vast majority of Australians, including, I would like to think, all members of this Council.

In this instance, we have an individual who purchased shares eight months ago, quite properly and freely within the law, and indeed on the open market. I say "open market" because the shares were offered to at least one public company before being offered, by Private treaty, to Mr. Bond. But the Minister will not tolerate that share acquisition. The Minister has apparently tried Mr. Bond and found him guilty, and the penalty is not to curb Mr. Bond's future actions but—

The Hon. J. E. Dunford: But Mr. Bond found the Premier guilty. He's going to vilify him all through the presses of the nation. What do you think about that?

The PRESIDENT: Order! If the Hon. Mr. Dunford continues to interject, I will take necessary remedial action.

The Hon. C. M. HILL: Let me remind the honourable member that, if Mr. Bond vilifies the Premier, he will do so outside this place, where he is subject to the force of the law. He is not vilifying anyone under the privilege of Parliament, as did the Minister who introduced this Bill. The penalty for Mr. Bond is not simply to limit his voting power in the company, but by retrospective legislation he is to be divested, by the State, of the majority of his shareholding. Such an injustice of divesting a citizen of his property should not be tolerated in our society, no matter who that person is, no matter from which State he comes, no matter how annoying he might be to a Minister of the Crown, or to a Government, no matter what his politics might be, or no matter whether that property was originally purchased for cash or on terms. Further, this particular wielding of socialist power and might is yet another nail in the coffin of the run-down economic backwater which successive Labor Administrations have caused this once great State to become.

Apart from all other reasons for this tragic trend since 1970, we now find that the Minister's actions have caused such serious doubts that outside investors, especially those with high-risk capital in the areas of exploration and mining, will shun this State and turn elsewhere—to such regions, for example, as Queensland and Western Australia. This point has been made by the Committee of the Stock Exchange of Adelaide in its release on this matter, part of which is as follows:

> It follows that the introduction of controls as currently proposed for Santos Ltd. will bring about a general lack of confidence amongst the providers of high-risk capital, particularly in the area of exploration for energy resources.

Then, the Federal body in the area of stock exchanges, namely, the Australian Associated Stock Exchanges, said:

> This latest intervention by government in setting arbitrary limits on listed company shareholdings can only discourage Australians and foreign investors from providing the capital that is so urgently needed to explore for and develop Australia's energy and mineral resources. All investors and particularly foreign investors will view this ill-considered legislation as yet another precedent for retrospective legislation, with the result that their confidence in the political stability of Australia will be reduced.

Apart from the stock exchanges throughout Australia, the national press also has joined in this groundswell of criticism. I now refer to the *Financial Review* editorial, as follows:

> Business is unlikely to move into South Australia and deal with any company or person who promises growth and performance while the South Australian Government continues to discriminate, not just against interstate control of its private sector but against particular business men.

The financial editor of the *Australian* wrote as follows:

> Take a bow Des Corcoran. With one stroke of the pen you have not only negated everything you said to the State's business men last week about your pragmatic approach to the private business sector but also perpetuated Australian business men's fears that every innovation and entrepreneurial action they take will ultimately run the risk of Government and/or bureaucratic interference.

The Hon. J. E. Dunford: The business men on *Nationwide* last night supported the legislation.

The Hon. C. M. HILL: The honourable member can quote them if he so desires when he contributes to the debate. I am quoting what the financial editor of the *Australian* said. He continued as follows:

> You have ensured that there will be a hostile reaction from

> interested groups around Australia to the discriminatory interference of the South Australian Government in one area of corporate activity, and you have continued the former Dunstan Government's approach of establishing laws within the State which have made and will continue to make business men wary of investment within South Australia, particularly major investments.

As late as yesterday the South Australian press was filled with appeals to and condemnation of the Government along the same lines. In view of these public statements from such responsible sources, the Bill in its present form is very damaging to South Australia.

My fourth heading of criticism is the Minister's utter lack of judgment in not acting, if he intended taking action, as soon as Mr. Bond purchased his shares or even before that date. He knew, or should have known, for years that the financial strength of Santos was critical in determining the viability of the proposed petro-chemical project, which will take its feedstock from the Cooper Basin.

The Minister knew, or should have known, for years that the financial strength of Santos was critical for South Australia to enjoy the energy resource of natural gas. He knew, or should have known, for years that Burmah Oil had not been exercising influence within Santos for a considerable time. He says that he should have been told when the shares came up for sale but that he was not so informed. Well, failing to take action in recent years was bad enough, but why did he not take immediate action in September 1978 (when Parliament was sitting, I remind honourable members), when this man whom he wants to crush first purchased the Burmah Oil holding of 37·5 per cent? I can only assume that he was waiting for evidence with which to condemn Mr. Bond.

What evidence has he now produced, after eight months, to support his late action? First, he has found that Mr. Bond bought his shares on terms. What is wrong with that? The Minister's Government deals in terms arrangements all the time. In 1968 it agreed in principle to a huge real estate transaction when it agreed to an indenture to sell all the vast West Lakes land region on most generous terms. The Government did not object to terms agreements then, and how ironic it is that it seems that Burmah Oil, the oldest British oil company, purchased its shareholding in Santos on an option arrangement! Burmah Oil did not pay cash for years: that was a terms arrangement. An even more amazing feature is the fact that Mr. Bond, an Australian, purchased the 37½ per cent from Burmah Oil, a foreign multi-national thereby adhering to the Labor Party's principles of Australian ownership being paramount. The Minister has analysed the Bond Corporation's financial situation and apparently condemns the company because of that analysis. The company may not be as buoyant as one would like, but many companies have operated for years without paying a dividend and with books of account and balance sheets that are not as attractive as the companies would like them to be. However, in many instances those companies ultimately have got on their feet, made progress, and contributed much to the State and to the country generally. Did the Minister express concern during the period of 23 years when Santos was not paying a dividend? Of course he did not.

Further evidence that the Minister has arraigned against Mr. Bond is that a consultant's fee of $50 000 a month for six months was paid to Mr. Bond and, apparently, the Minister thinks that was excessive. A most reliable party in the Santos organisation whom I do not propose to name has told me that, if the company had had to pay a merchant bank for what Mr. Bond achieved as a consultant, the fee would have been much more. Where does one go from there?

I make clear that I have not a brief for Mr. Bond in any shape or form, but, whether it be Mr. Bond or anyone else, Parliament must consider the rights of the individual. Character assassination and defamation in debate under the privilege of Parliament is the poorest form of Parliamentary practice, and the Minister resorted to such tactics in his unsuccessful search for facts and evidence with which to attack Mr. Bond. A further criticism is that the Minister, a dedicated socialist, has vented his demands for Government control and interference in this private enterprise company. The Minister's actions are the thin end of the wedge to nationalise the company and eventually place it under State control.

The Hon. J. E. Dunford: The unions support that. Trades Hall supports nationalisation.

The Hon. C. M. HILL: Yes, I know.

The PRESIDENT: I have twice asked the Hon. Mr. Dunford to cease interjecting. He will be the next member to speak in the debate and will have an opportunity then to explain his case. I again ask him to cease interjecting.

The Hon. C. M. HILL: I do not accept his denials of such a plan. He and all other members of the State A.L.P. are bound by their State platform, which still includes the hallmark of their ambitions, "the democratic socialisation of industry, production, distribution, and exchange".

The Hon. Anne Levy: Finish the quotation!

The Hon. C. M. HILL: I will give the honourable member more quotations.

The Hon. Anne Levy: Finish that one!

The Hon. C. M. HILL: I do not have the remainder of it here.

The Hon. J. E. Dunford: But you will later.

The PRESIDENT: Order!

The Hon. C. M. HILL: Elsewhere, in the objectives of his Party, one reads:

> Labor believes that democratic socialism is the utilisation of the economic assets of the State in the interests of its citizens.

The Hon. N. K. Foster: Hear, hear! That's what it's about.

The Hon. C. M. HILL: Good! I am pleased that there is no dispute on the matter. These matters are in the State platform, so there should be no dispute that every member of the Parliamentary A.L.P. is bound by that platform.

The Hon. J. E. Dunford: Of course!

The Hon. C. M. HILL: "Of course," the honourable member says.

The Hon. J. E. Dunford: The sooner the better.

The Hon. C. M. HILL: That is what I like to hear: "The sooner the better". Dealing with public enterprise, the State platform includes:

> Public enterprises will be established in sectors of economic and social importance where the demands for social equity, economic efficiency, economic growth, or economic stability dictate they should be established.

Under the heading "Industrial assistance" the State platform states:

> In assessing the desirability of assisting either new industries or the expansion or diversification of existing industries, a Labor Government will take account of—

Then follows a series of items, one of which is the need for the State to control or participate in particular industries. Finally (and I stress this matter as much as I possibly can), one reads under the heading "Mineral and energy resource" in that State platform the most striking requirement of all (to which the Minister is bound), to "ensure maximum State ownership of South Australian minerals and energy ventures". How can the Minister get

up in this Chamber and say that the Government has no plans to nationalise this energy resource, when it has a Bill like the one we have before us, and when it is bound by rules of that kind—bound to the extreme in that, if they are not fulfilled, the members suffer the penalty of expulsion from their Party? It is quite evident to me that the ultimate scheme is to nationalise this particular company, and the present measure is a step towards that goal.

In this context, it is significant that the Bill does not bind the Crown. There is to be a limitation upon individual shareholdings of 15 per cent, but the Government or its instrumentalities can acquire shares and not be bound by such a restriction. Surely, in view of this fact alone the Minister is on thin ice when he denies any interest in State ownership of this company.

The Hon. J. C. Burdett: He's not fair dinkum.

The Hon. C. M. HILL: He is not. To conclude these criticisms, I point out that Santos directors sold 37½ per cent to Burmah Oil and, therefore, were agreeable to that percentage being a single holding. The Minister knew this parcel of 37½ per cent was held by the one owner. The fact that it was only when Mr. Bond owned or controlled the same shares that the Minister took the current action surely is evidence that this Bill is purely and simply a "get Mr. Bond" measure.

I can well understand those arguments being enough to convince a member of this Legislature that the legislation ought to be opposed totally. However, the introduction of the Bill does provide the Parliament an opportunity to look closely and responsibly at the question of public interest. It really should have arisen earlier, for the reasons I have stated.

However, we should be able to come to grips with it now. Based on precedents both here and elsewhere, it will arise again in the future, if this Bill founders as a result of this debate. The Minister, trying to justify his action as being in the public interest, has resorted to scare tactics by giving the impression that gas prices will increase as a result of this large single shareholding being present in Santos Limited.

What are the real facts regarding the fixing of the price of natural gas for and on the Adelaide market? First, there are controls on gas prices at the wellhead. Since 1 May 1974, by a decision of the Labor Government, the contractual relationship between the Pipelines Authority of South Australia (a Government instrumentality) and the Cooper Basin producer companies was altered and has meant that the authority has been responsible for the purchase of gas from the producer companies and the sale of gas to each of the six direct purchasers in South Australia.

The agreement bestows on the authority the right to be the monopoly purchaser of all methane produced in the South Australian field for the Adelaide market. The contract provides for a price to be negotiated between the producer companies and the authority. In the event of prices not being negotiated satisfactorily to both contracting parties, the matter is referred to an arbitrator for determination.

Secondly, there is price control for residential consumers in metropolitan Adelaide. I appreciate that it has not any direct bearing on my argument, but it shows how the Minister is involved in another area of gas price control. Gas is a declared good under the Prices Act, 1947-1978, and has so been since September 1948.

Because of the status of gas as a declared good, the South Australian Gas Company must apply to the Minister of Prices and Consumer Affairs if it wishes to increase prices. The administrative mechanism is that the company makes its application, generally on the basis of historical cost increases, and the application is reviewed by officers of the Prices Branch of the Department of Public and Consumer Affairs. Those officers examine the application to see whether it is justified and make a confidential recommendation to the Minister. The Minister, if he approves the recommendation, further recommends it to Cabinet for approval. A right of appeal exists, but varies between consumers and suppliers.

Therefore, I submit that, with those checks and balances, the argument that a large single shareholder will cause gas price increases, is entirely irrelevant. However, there are two main reasons to support the contention that the public interest is involved in this overall question of the need for stability within the Santos operation. The first is that Santos is the sole supplier of natural gas to the Adelaide market, and an assured, regular supply (whilst the resource remains) is essential to South Australia. We are dealing with a commodity which is essential to the well-being and living standards of the people.

It is used for electricity production for industry, upon which so much of the State's livelihood depends, and very extensively for domestic purposes. Also, as Santos Limited supplies natural gas to another company which, in turn, sells it to the Sydney market, successive Governments in this State must keep a watchful eye on those arrangements, in the interests of the public of this State.

For these brief but important reasons, I believe that the public interest is involved. Secondly, if a situation develops in a public company in which one shareholder is able to control that company, then the monopolistic effect of such power in the hands of that one shareholder (whether the shareholder be an individual person or an associated group of shareholders) negates the principles of free enterprise as those principles apply to mixed shareholdings, and particularly as they apply to the need for different interests to be effectively and adequately represented on the board of that company.

If such a monopolistic situation ever developed within Santos Limited, then it could lead to disadvantage to the public of South Australia in that continuing arrangements for natural gas supply could be adversely affected. That is a situation which, in my view, the Legislature has a clear duty, in the public interest, to review this Bill and watch the position very carefully.

It would seem that Governments throughout the world are protecting this public interest in most areas of energy resources, and in this State, ETSA and the South Australian Gas Company are examples of State involvement in varying degrees. Therefore, if one agrees, as I do, that the public interest should be protected, the question arises as to what form legislation should take to protect that public interest on the one hand, and, on the other hand, to maintain maximum efficiency in the industry, to prevent nationalisation, to retain the optimum support and confidence of overseas risk and other investors, and to be fair to all existing shareholders.

Also, in passing such legislation, Parliament should take care to ensure that share prices should not be reduced or retarded as a result of restrictions applied in the public interest, because special consideration is due to those shareholders who have held shares for up to 25 years, in a company involved in this situation and in South Australia's development future; they have held those shares in hope and expectancy, as a contribution towards the development of this State. This company has slowly but surely built up its expertise and reserves, and is now enjoying profit and success.

Might I also add that that success and profit are, in the main, in that particular venture, due to the involvement

and service of the directors and senior staff of the company who have held office and worked for many years in making a worthy contribution to South Australia's future. It would seem to me that a restriction on voting power, on any single shareholder (or group of related shareholders), provided that such a restriction can be applied effectively, would be a reasonable answer and approach to the challenge of protecting the public interest and not adversely affecting the company or its shareholders.

At the same time, a ceiling on shareholdings could apply, if the Government persists with that approach, and in keeping with my strong belief that a shareholder should not be divested of shares and stripped retrospectively, I believe a ceiling in the present situation of 37½ per cent would seem reasonable.

Obviously, with a combination of voting power restricted to, say, 15 per cent of votes cast at a meeting and shareholdings restricted to 37½ per cent, the total effective votes within the company would be less than the normal optimum, and, in the event of individual shareholdings becoming few in number and therefore large in size, the 15 per cent voting restriction automatically increases, in effect. I quite understand that. However, this general concept can be the basis for further discussion, debate, and possible compromise.

In summary, I have endeavoured to be frank in this submission. Members on this side are disappointed that the Minister has so far shown no compromise prior to the Bill reaching this Chamber. I criticise the Government for its undemocratic haste, for its intention to divest an individual of his shares, for being insensitive to wide press reaction, for not acting until, in effect (if I might use that expression), the horse has got out of the stable, for failing to restrict the possibility of State ownership, and for other reasons that I have mentioned. I assure the Government that Liberal Party members have had lengthy discussions with all parties involved in this issue.

Not, of course, in the sumptuous environment of Ayers House, but we have had lengthy talks and discussions where questions have been asked and answers given. In brief, we have gone to great lengths to acquaint ourselves with all the kinds of questions raised in this Bill. I seek a positive answer to the legislation, and I believe that some changes to it are essential in the best interests of the State. I support the second reading so that those changes can be discussed in Committee.

The Hon. J. E. DUNFORD: First, I thank the Hon. Mr. Blevins for encouraging me to issue a challenge. I have always respected the Hon. Mr. Hill, not because of his politics but because of the way he presents his opposition to the Government in this Chamber. However, I have been disappointed with his effort today, as his weak and lack-lustre job was similar to that of Mr. Tonkin's defence of capitalism in another place; indeed, a poor effort.

I refer to the heading in today's *Advertiser*, "Government 'no' to changes in Santos Bill", and hope that in no circumstances will the Government accept amendments. This is the time for the Government to show its strength. We have been a strong Government in the past. We are well respected in the community, as is evidenced by our continued support in the electorate and in our continued representation in another place. Members opposite should know the position, especially as the five retiring members from this Chamber are the Hon. Mr. Geddes, the Hon. Mrs. Cooper, you, Mr. President, the Hon. Mr. Burdett, and the Hon. Mr. DeGaris.

If the Opposition presses its amendments and defeats the Government in this Chamber we would go to the people and win 80 per cent of the votes. I am not saying that politically but, since this debate began and prior to the calling of Parliament for the new session, I have met many Liberal Party supporters who have said that the Government should introduce this legislation.

Last night I watched *Nationwide*, on which appeared three people representing the broad spectrum of the business world: Mrs. Curry, representing earthmoving contractors; Mr. Rundle, representing 4 000 businessmen in South Australia; and Mr. Bill Schroeder, Managing Director, Adelaide Brighton Cement. None of those three people representing private enterprise in this State knocked the Bill. In fact, Mr. Schroeder gave unqualified support for it. These are people that the Opposition represents, yet I believe that what they said was correct: they would not have said it if they had not supported the Government's Bill (especially Mr. Schroeder) unless they were voicing the opinion of the majority of Liberals in this State.

The Hon. R. A. Geddes: Which Bill are you talking about?

The Hon. J. E. DUNFORD: The Santos Bill. If the Liberal Party insists on these amendments it will go, and Mr. Geddes will go, too. It will be a sad day for the Liberal Party troglodytes who want to stop the South Australian Government doing something for the future of the young people of South Australia. That is the trend in society today—and we all see it. One has only to travel the world to see that the people are rising up against the forces of the evil capitalist system.

I will not vilify Mr. Bond, as that has already been done by the press and the Liberal Party for a long, long time—that goes back to 1973. I have a sneaking admiration for Mr. Bond because he did break the barriers of the establishment. I qualify that by saying that Mr. Bond is a capitalist, and all capitalists are evil people. As Jimmy Cairns said, "Once a man has accumulated great wealth you know that he is a crook." Whether that is true or not, I do not know, but I have always believed it. It sounds correct, and most of the people that I represent in this House know that it is true.

I have nothing against small businessmen, the people who have given evidence to a Select Committee about how they started with a hammer and dolly and now have 14 or 15 people working for them—I know these people well and am proud to be associated with them. The great multinational companies and foreign investors who are now trying to take over this country and our lifeblood are what worry me. I congratulate Mr. Laidlaw, who said that the gas and liquids supplies available now and in the future in the Cooper Basin are as important to South Australia as water. It is seldom honourable members have heard me congratulate a member of the Liberal Party in this Chamber. I hope that the Hon. Mr. Laidlaw has not changed his tune since he returned from overseas. I have heard that his coat has been pulled pretty heavily in the meantime. The Hon. Mr. Laidlaw is a director of the Adelaide Brighton Cement Company and of Quarry Industries. If he is sincere (and I do not know whether he can wear two hats—one for the Liberal Party and the other for the companies that he represents), he must realise that, if Bond gets a controlling interest in Santos, up will go the price of gas and the cost of power for established industry in this State. Do not worry about assurances from Mr. Bond, because he is like all capitalists, like the arch capitalist Mr. Fraser, who is being called a liar all over Australia because of all his broken promises. I do not say that Bond is any better or any worse than Fraser. We cannot risk the future of South Australia on the word of a person who has been denigrated in the press as a dreamer and a gambler. We cannot have a gambler holding South

Australia to ransom.

The Hon. M. B. Cameron: You never gamble, do you?

The Hon. J. E. DUNFORD: I do gamble, and I am proud that I am an unsuccessful gambler because it has cut my wagering. I am interested in the future of South Australia, and we cannot have a man who has gambled on the Stock Exchange (as reported in the capitalist press) running South Australia. The Hon. Mr. Hill got on his band waggon again about the platform of the Australian Labor Party. I heard the Hon. Miss Levy say that if it was not for that platform we would not be here. I joined the Labor Party in 1944, 35 years ago. Some honourable members opposite heard me say in my maiden speech that I was exploited by a newsagent.

I was an active trade unionist for 14 years up to this point. I recall my first employment 35 years ago with a big grazier at Warranbeen via Rokewood, Victoria, when the adult wage was £5 5s. a week, and the wage for youths was £2 18s. a week. There were 10 shearers and 10 fleeces every three minutes. I was there with two of my comrades, Les Hutchings and a bloke they called Spaniel. Jim Doyle, the A.W.U. organiser at Whyalla, was shearing there. I went to the board about the wages. The boss of the board, Bullsey Riddle, said, "Pick up the wool." We said, "No, we want more wages." He said, "I'll sack you." We said, "O.K., sack us." The wool kept coming off; the boss conceded defeat and paid us adult rates of pay.

In a futile attempt to gain political mileage, the Opposition is attempting to smear the Government with the label of anti-business over the question of future ownership and control of the Cooper Basin natural gas reserve. Usually the industrial development of a particular area is based on some natural resource such as iron ore, bauxite or fuel deposits. South Australia has few resource-based industries.

The Cooper Basin currently represents the most valuable natural resource we have. The availability of this primary resource is of enormous benefit to South Australian industry and to all domestic users of electricity and gas. The discovery of natural gas and associated liquids in the Cooper Basin can be regarded as a strengthening factor in our State's development. Since the day natural gas was first piped to Adelaide the South Australian Gas Company has, with expertise and marketing skill, sold the benefits of this clean pollution-free fuel to industry. This inexpensive fuel has underpinned the industrial development of our State in the last decade.

Hundreds of thousands of South Australians reap the cost benefits of natural gas for cooking, hot water and space home heating. Since the early pioneering days of the search, discovery, building of the pipeline, conversion of industrial equipment and domestic appliances under the skilful guidance and management of Santos and the South Australian Gas Company, we have reached a situation in 1979 where this indigenous fuel could be described as the lifeblood of our future industrial development. It is not my intention labouriously to tender detailed statistical information to support these statements. I refer members to table 6, page 56, and table 7, page 57, of the report of the South Australian State Energy Committee, 1975. I seek leave to have these statistics incorporated in *Hansard*.

The PRESIDENT: We have discussed this once before. The same statistics are already available to honourable members.

The Hon. J. E. DUNFORD: They have the reference. In a world of rapidly escalating oil prices the value of our natural gas and liquid reserves takes on new significance. Burmah, the giant English Company plagued by cash flow problems of its own some years ago, found it necessary to liquidate many of its overseas assets in order to consolidate its financial position. At this junction, Alan Bond, the land tycoon from Western Australia, appeared upon the scene. This brash, arrogant and often bombastic individual and his Bond Corporation were themselves just a few years ago teetering on the brink of financial disaster. If members desire to acquaint themselves fully with the dire straits the Bond Corporation was in, I commend to them the Deputy Premier's speech as informative reading.

The Bond Corporation bought Burmah's 37½ per cent stake in the fields on a small deposit down, easy instalment plant. Since then Alan Bond has moved insidiously, but surely, to secure captive control of our State's most valuable resource.

Our Government, together with the existing directors of Santos, minus Bond's nominees, is suspicious of his motives. So was the Australian Gas Light Company, which quickly bought a significant shareholding to secure a say in the future development and pricing of the field's resources. I suspect their suspicions are similar to our own.

At this stage of my address, I question Bond's motives. Did he buy the interest in order to give his troubled corporation a degree of respectability, something it sorely needed, or did he, at some later stage, want to siphon off Santos profits to prop up his own teetering empire? He has already saddled Santos with some $300 000 in consultancy fees. Should Bond find himself in financial difficulty at some future stage, all South Australians could be faced with the prospect of having to bail him out.

Does Bond have some inside knowledge of the likely go-ahead of the Redcliff project and the financial windfall that Santos could gain from the sale of ethylene as a feedstock for the chemical plant? One can only speculate. On the other hand, what could the potential value of the enormous coal deposits under the fields be worth at some future stage, when the technology is developed to mine them? Whichever way you look at it, Bond's long-term motives were profit orientated, which would be at the expense of all South Australians.

Our Deputy Premier's announcement to safeguard the State's most valuable resource placed the Opposition in a quandary. Despite contradictory and conflicting statements emanating from Mr. Tonkin, and the Hons. Ren DeGaris and D. H. Laidlaw, we find that the Liberals have now become unwitting bedfellows with Alan Bond. One can only hope that this union will not be allowed to reach conception.

The Hon. M. B. Cameron: Are you reading this speech?

The Hon. J. E. DUNFORD: I have copious notes, as did the Hon. Mr. Hill. One can contemplate with horror what the offspring might mature into—a reluctant Opposition prodded into adopting its present vacillating position mated with the bombastic rapacious profiteer from the west.

Yet we have a situation in which members of this Council have, or perhaps just one of them has, the opportunity to safeguard our State's future. No doubt attempts will be made to pursue the "Labor is anti-business" band waggon, that the Labor Government has embarked on its programme of socialisation of industry in South Australia. Yet I feel the public of South Australia will recognise what this puerile argument is and see through its transparent nature.

Since taking over as Premier of South Australia, Des Corcoran has put at rest the business and commercial sectors of our community with straight talk and, I might add, a fair go from the media. Yet the Liberals continue to wail their plantive pleas of "anti-business" on our

Government. I am afraid they have picked a loser this time. Alan Bond would not have endeared himself to many South Australians with his threats of a campaign of vilification and intimidation against our Premier.

The Santos board, the South Australian Gas Company, and the business community are behind the Government's legislation. The silence of the business community is deafening. I urge all members on both sides of this Council to support the Government's legislation, and thereby support the future of all South Australians.

The Hon. R. A. GEDDES: First, I would like to compliment the Hon. Mr. Dunford on his troglodyte-type speech which, in effect, goes against what his Leader, the Premier, said yesterday at a meeting. The Premier was quoted fully in the press last night and again this morning as having said that what South Australian industry needs most are new guidelines in its management, a new direction in which to go, and the types of director South Australian companies have had for many years would get up and go. Here, we have the case of Mr. Alan Bond, an entrepreneur, a man who has come from humble beginnings and who has shown that he has a lot of "get up and go", being condemned by the Hon. Mr. Dunford, so in effect he is condemning the suggestion made by his Leader, the Premier, last night that many South Australian industries are being controlled by directors who, with too many jobs and responsibilities, are unable to look after the companies carefully. He accuses the Opposition of being a troglodyte, but I return the accusation by saying that the speech he has just made makes him a troglodyte also.

There are several anomalies about the Santos deal which I would like to clear up. When Santos was first registered as a public company, there was virtually no oil search expertise, in the form of men or equipment, in Australia. The then L.C.L. Government, through Sir Thomas Playford and Sir Lyell McEwin, gave Santos one of the largest (that is, in area) petroleum exploration leases ever granted in the world at that time, although the Mines Department considered that there was no likelihood of oil being found under that lease. Santos's capital was limited, but the company was determined to find oil, so it invited three other companies to assist it: Delhi Oil Corporation from the United States; Total Oil Corporation from France; and Burmah Oil from the United Kingdom.

As was mentioned this morning, it is true that Burmah did not pay for its shares in the first instance but, as is normal with oil companies, there was a farm-out agreement with Burmah, Delhi and, I think, Total, under which agreement so many holes would be drilled by these companies to earn shares or an interest in Santos. Therefore, the three companies conducted their exploration in conjunction with Santos and drilled dry wells, payable gas wells and oil wells.

It was the knowledge and assistance of these three large oil companies which helped to prove the Cooper Basin and which, in effect, brought it on stream, resulting in Santos finding the first oil and gas of any commercial quality in Australia.

I do not agree that, because Santos sold originally to Burmah Oil, it should be reasonable for the Bond Corporation to now own those shares. Burmah Oil was established before the Second World War, and had a world-wide reputation as a mining company. Unfortunately, following its commitments to drill for oil in the North Sea off the coast of England and its investment in oil super-tankers, Burmah Oil lost money and was placed in the hands of receivers, although it was in the Santos group as an oil adviser and partner.

The Bond Corporation is a legitimate recognised business enterprise and, as a financial institution, its function is to invest and make profits. We now have a different profile. The Bond Corporation wanted Santos to prove and market hydrocarbons before the scheduled dates suggested by Santos.

The Bond Corporation's plan would increase Santos's profitability, which would be to the former's benefit and consequently, of course, to the benefit of Santos. Interwoven into this problem we have the Australian Gaslight Company of Sydney also buying a large number of Santos shares so that it will in future be able to gain a more than necessary percentage control of Santos, in order to ensure a market for natural gas in Sydney and New South Wales.

My point is that we have two powerful groups wanting more than a reasonable share of Santos control, which is, in effect, control of the Cooper Basin. One group wants this control so that profits can be made because of the looming energy crisis that Australia and the world will soon face. The other company is concerned to have control of the gas supply in Sydney, where 2 000 000 people live. That is a large market indeed and one in which, in New South Wales's eyes, needs to be assured past the year 2006.

Placed in the middle of this riddle are the Santos Corporation and the South Australian Government, both of which need assurances in relation to the future supplies of gas and other hydrocarbons to South Australia. We are witnessing capitalism at its very worst!

It is no pipedream that in future Australian energy supplies will be a major and serious problem. Experts have estimated that by 1985 the cost of importing 70 per cent of the nation's petroleum requirements will be more than $2 500 000 000 annually. That figure is greater than the total export income earnt in Australia during 1978, when these figures were compiled.

It is not hard to see that the present 34 per cent of Cooper Basin energy provided to South Australia is indeed valuable, and that it will be an even more valuable resource for South Australia in future years.

Governments of all persuasions will in future have seriously to consider showing a far greater interest in all energy supplies in Australia and elsewhere. Governments will have to see that coal that can be processed into petrol is not exported, and in the petroleum industry Governments will have to provide capital and other incentives so that the establishment of new fields that may be considered unprofitable by the companies that hold the leases will proceed. I refer also to the uranium mining industry.

The Hon. N. K. Foster: You'd be opposed to Utah's operations, then, would you?

The Hon. R. A. GEDDES: I do not think that Utah is mining uranium. Action will have to be taken so that the valuable energy source, uranium, can be marketed in an orderly manner, and so that those countries depending on nuclear reactors can have a continuity of supply up to and until another alternative energy source can be established.

It follows that the Cooper Basin, and the petrochemical, liquid petroleum gas and natural gas industries will need greater Government involvement in years to come. The Government has already taken what is, in my opinion, a correct step in the establishment of the South Australian Pipelines Authority and the Oil and Gas Corporation, one of which is searching for oil and gas in the Far North, and the other, controlling the pipeline for distribution to industry in the State.

Therefore, I understand the problem that Santos and

the Government have in relation to this Bill, with the company losing a mining and exploration partner who in turn has been replaced by a corporate-type raider interested only in profit from an energy source that is so essential to the future of the State and nation.

Finally, a company in the business of searching for and proving petro-gas fields must have stable management. Management must provide a work force capable of meeting any emergency. The work force must do everything from selecting the correct site to drill to knowing how to handle the emergency blow-out if one occurs. It must provide the experts for the harvesting and marketing of the final oil-gas products. The record that Santos has shown over the years, especially under the guidance of its present General Manager, has proved these leadership qualities that are so necessary for good management. There is no guarantee that, should the Bond Corporation or A.G.L. in Sydney gain control of this energy-producing company, this expertise or leadership can be maintained in future.

Speaking briefly about the Bill, I feel that the Minister, in his determination to prevent the Bond Corporation from having more than a minor say in the future affairs of Santos and in his determination to prevent anyone from having 15 per cent or more of the shareholdings, is creating too many emergencies. As the Hon. Mr. Hill has said, the fact is that the Minister can revoke a decision of a general meeting of shareholders, and to me that is repugnant, as is also the fact that the Minister does not have to give reasons, as well as the fact that he can have at his disposal the shareholdings of the company and decide whether groups of shareholders may or may not be detrimental to the well-being of the company and the supply of energy resources. I see many problems about the Bill.

Lastly, I think the Government should reconsider its determination to stand on 15 per cent without compromise. The problem of divesting a large number of shares such as the Bond Corporation has will be a big embarrassment to Mr. Bond, and I think that even the Hon. Mr. Dunford will agree that it is not quite fair that this State Government or this Parliament should allow the divesting or stripping of Bond Corporation shares to the extent that, by so doing, a man or his corporation becomes insolvent. That must be guarded against, and the Opposition, having these problems in mind, proposes amendments that go some way towards solving them. The Government, despite the Hon. Mr. Dunford's comment that it will not accept any amendments, would be sensible to take into account the other bloke's point of view. I support the second reading for the purpose of helping the amendments.

The Hon. D. H. LAIDLAW: The Governor stated in his Opening Speech that the control of Santos had fallen substantially into the hands of an entrepreneur from another State, namely, the Bond Corporation, and that the Government was concerned about the future development of the gas deposits in the Cooper Basin.

Parliament has been re-called to deal with a Bill to overcome this situation. The method proposed is to restrict the size of holdings and voting rights in Santos and, by so doing, force the Bond Corporation, its affiliate Endeavour Resources, and Australian Gas Light Company Limited to divest themselves of a proportion of their holdings.

I will deal with two matters of principle at this second reading rather than with specific details of the Bill. First, is it reasonable to restrict voting rights and the size of shareholdings in a company producing natural gas, which is of great importance to South Australia because of the present energy crisis? Secondly, if restrictions are necessary, should a company which has acquired a shareholding in excess of the maximum proposed be forced to divest itself of the surplus?

The Associated Stock Exchanges resolved, in 1963, that companies applying for their shares to be listed should include as a prerequisite in their articles of association that voting rights in respect of fully paid ordinary shares should be on a one for one basis. It should be noted that this rule does not refer to limits on the size of shareholdings. The sanction available to the Stock Exchanges for non-compliance is to refuse to list or to delist the shares of the offending company, which would affect their negotiability and, therefore, presumably their value.

Despite this edict, each public company in Australia, whose prime function is gas distribution, imposes restrictions on voting rights and size of shareholdings. This has been done, no doubt, because these companies provide a product of public need, and it is considered therefore that they should be immune from outside domination. Although Santos is a gas producer (and the gas companies, to which I have referred, are distributors), all are involved in the same industry. I shall give some specific examples for the record, because much has been said about the importance of free markets, and the like.

Australian Gas Light Company, of Sydney, which is the second-largest shareholder in Santos, and would be forced to sell some of its shareholding if this Bill passes in its present form, has an issued capital of 15 700 000 $1 shares, but it was prescribed some years ago that no shareholder could hold more than 2 per cent of the issued capital, that is, 314 000 shares, other than by approval of the directors, and that no holder could exercise more than 1 200 votes at a meeting. I understand that three or four institutions do hold in excess of the prescribed maximum.

North Shore Gas Company Limited, which is the other gas distributor in Sydney, has issued 3 300 000 $1 shares. It permits any shareholder to own up to 25 per cent of the issued capital, but the voting rights apply according to a sliding scale, so that the holder of 825 000 shares, being the maximum, is entitled to about 33 000 votes.

In Brisbane, Allgas Energy Limited has an issued capital of 200 000 6 per cent $1 preference shares and 1 450 000 $1 ordinary shares. A shareholder is permitted to own up to 12·5 per cent of the issued capital, but his voting rights are limited to 5 per cent.

Newcastle Gas Company Limited has an issued capital of 1 800 000 $1 shares. No shareholding can exceed more than 2 per cent of the issued capital and no holder can exercise more than 21 votes at a meeting.

An amendment to the South Australian Gas Company Act, in February this year, has limited the holdings of any person or his associates to 5 per cent of the issued capital; that means about 95 000 shares of the 1 950 000 50 cent shares on issue. No shareholder now is entitled to exercise more than five votes at a meeting. However, since 1874 that Act has contained restrictions of some kind on voting rights of shareholders.

It is interesting to note, when one looks at activities other than gas, that there are several South Australian based public companies whose articles contain restrictions upon voting rights. For instance, shareholders of John Martins may exercise one vote for each four ordinary shares up to a maximum of 25 per cent of issued ordinary capital. Similarly, the articles of Adelaide-Brighton Cement, Alaska Foods, William Charlick, and Grosvenor Hotel say that no shareholder may exercise a vote exceeding 25 per cent of the issued ordinary shares, whilst Bennett and Fisher maintains a sliding scale of voting.

On several occasions in recent years Federal Parliament has passed legislation to restrict voting rights and holdings in public companies. In 1968, Mr. Gorton arranged for the Australian Capital Territory to pass an ordinance to restrict any foreign shareholding in two life assurance companies, namely M.L.C. and A.P.A., to 20 per cent of the issued capital, although the Government did permit one large existing shareholder in M.L.C. to retain its holding.

In 1969, again during the administration of Mr. Gorton, an amendment was passed to the Broadcasting and Television Act prescribing that at least 80 per cent of the shares of the licensee of a broadcasting or television station must be held by Australians and not more than 15 per cent of such shares may be owned by one foreign holder.

In 1972, during the administration of Mr. McMahon, Federal Parliament passed the Banks (Shareholding) Act, which limits the holding in any licensed trading bank to less than 10 per cent of issued capital, other than with the approval of the Treasurer.

With respect to legislation in other States, Sir Henry Bolte passed an Act in 1972 to prevent Thomas National Transport, a company registered in New South Wales, from taking over Ansett Transport Industries on the grounds that such action would be contrary to the interests of the Victorian economy.

The Hon. M. B. Cameron: That was not retrospective, though.

The Hon. D. H. LAIDLAW: No. More recently, in 1975 Mr. Bjelke-Petersen introduced a Bill containing all-embracing provisions. It gives his Government the power to restrict or nullify the voting rights of any shareholder of any Queensland public company or to change any resolution passed at a general meeting. I do not know whether the Queensland Government has made use of these provisions, but on at least one occasion Mr. Bjelke-Petersen has threatened to do so.

These examples show that, in spite of the resolution by the Australian Associated Exchanges in 1963, supporting the principle of one share one vote, the existence of restrictions upon voting rights and size of holdings is universal amongst public companies whose main activity is gas distribution, and voting restrictions are still quite common amongst other South Australian companies. Furthermore, the Federal Liberal and the Victorian Liberal Governments, on the four occasions mentioned, have taken action when they have perceived that some important institution under their legislative authority may be threatened by outside domination.

I supported the Government, as did other of my colleagues on two previous occasions during the past year, when it introduced Bills to restrict voting rights and shareholdings in the Executor Trustee and Agency Company Limited and later in the South Australian Gas Company. I shall support the provision in this Bill which restricts voting rights to 15 per cent of issued capital, but I am perturbed about the further provision which would force the Bond Corporation, Endeavour Resources, and Australian Gas Light to divest themselves of some of their holdings in Santos.

I recall speaking to the Deputy Premier, who was then the Minister of Mines and Energy, when it was announced that Mr. Alan Bond had acquired the shares in a subsidiary of Burmah Oil Company, which owned 37·5 per cent, that is, about 17 000 000 shares, of Santos Limited. I suggested that the Government should legislate there and then to stop Mr. Bond from controlling those shares, because any dominant holder of Santos shares should possess petroleum and/or mining expertise. The Minister did not act at that time.

Subsequently, Australian Gas Light acquired a 10 per cent interest in Santos from the French oil group Total, and then, by buying on the open market, built up its holding to about 17 per cent of the issued capital. Within the past few weeks, the Deputy Premier has admitted that in hindsight the Government made a terrible mistake not to have acted last November when it first had knowledge of the Bond purchase of the Burmah interest. Despite this admission of error, the Government now wants to force the Bond Corporation and its associate, Endeavour Resources, to reduce their aggregate holding to 15 per cent and Australian Gas Light to do likewise.

I understand that Mr. Bond agreed to pay about $1·75 per share for his purchase of the block of shares from Burmah Oil and that some extended terms of payment applied. Burmah Oil was in financial trouble because of a disastrous decision to take long-term charters of giant oil tankers, the demand for which has slumped. It sold its interest in the North West Shelf and wanted also to divest itself of its shares in the Cooper Basin. I am told that it had offered these Santos shares unsuccessfully to other parties before Mr. Bond arrived on the scene. Mr. Bond made a legitimate purchase, and the value of the shares on the Stock Exchange has risen from $1·75 late last year to its present level of about $2·50.

I do not want to see any one outside party dominate Santos or the Cooper Basin consortium, because energy resources are absolutely vital to any State at the present time. The Cooper Basin must be tested as rapidly as possible to determine its full potential, and it must be stressed that, according to present estimates of reserves, South Australian entitlement to this gas expires about 1985 or 1987. Whilst the world price of oil and gas keeps rising and there is reason to expect that the OPEC countries will continue to force it even higher, private interests may want to restrict development. This is a tendency throughout the world at present and is one reason for the shortage of supplies. South Australia cannot allow this to happen with respect to the Cooper Basin.

I have said that I shall support the provision in this Bill to restrict the voting rights of any one holder or his associate to 15 per cent of the issued capital. However, it would seem unfair to force the Bond Corporation and its associates to divest below the 37½ per cent interest that they acquired from Burmah Oil when the Santos directors agreed of their own volition for Burmah Oil to have a holding of that proportion. However, I do think that, if the Bond group has bought shares, or obtained options to acquire shares, in excess of the original 37½ per cent interest, these should be sold, but over a reasonable period so as not to depress the market by a sudden influx of shares.

Another factor has emerged in this controversy. Hitherto I have said nothing publicly about the behaviour of Mr. Bond, but I wish to refer now to a recent submission to Federal Ministers by a Queen's Counsel acting on Mr. Bond's behalf. The contents were disclosed first in the *Financial Review* on 29 May and my colleagues have ascertained from the Bond Corporation and members of Federal Parliament that the report is correct. The press statement was made after the debate in the House of Assembly and therefore had no impact upon debate in the other place. Three alternative proposals were made: first, oblige Santos to register itself in the A.C.T., which would bring it under Federal corporate regulations; secondly, use the defence power to acquire control of all oil and gas in South Australia; and, thirdly, use Federal corporate powers to override the South

Australian legislation.

I am appalled that Mr. Bond should advocate such action. I have said that it would be unfair to force the Bond Corporation and Endeavour Resources to divest of shares, but against this I am conscious that I am an elected representative of South Australians. To my mind, the measures proposed by Mr. Bond are so unsympathetic to the interests of this State, and if implemented would be so detrimental during this energy crisis, that they transcend other considerations. I support the second reading so that this Bill can move to the Committee stage, where I shall examine amendments.

The Hon. ANNE LEVY: I support the second reading, and I am sure that such support comes as no surprise. The basis for my support is philosophic, as I believe that an elected Government, which represents the people of the State, must ultimately have final control in the best interests of all the people and not consider only the interests of a sectional few. People who pontificate about the rights of private enterprise, and talk about the rights of individuals are, in fact, being hypocritical.

The interests of company board members and individual shareholders are not necessarily the interests of the whole community. It was once said in America that what was good for General Motors was good for America, but that patently is not true. In America that was well illustrated by evidence on how the car manufacturing companies killed a public transport system in Los Angeles by buying all the railway companies and then closing all the train lines, thereby forcing greater reliance on private cars and the products of those companies.

Those who stress the inalienable rights of free enterprise are following this General Motors line and are ignoring the rights of the community as a whole. I maintain that the Government has not only the legal right but a definite moral right and duty to protect the interest of the whole community. This Bill does exactly that.

As has been stressed before by many people, the financial stability and health of the Cooper Basin resources are crucial to the well-being and development of South Australia. If the Government believes that the economic health of South Australia is threatened by the Bond Corporation and/or the Australian Gas Light Company gaining control of Santos, it has a legal and moral right to act in the interests of the whole community. I am sure that the community recognises this and applauds what the Government is doing.

The gas and liquids of the Cooper Basin are vital to our economy, and are in the nature of a public utility on which the whole community depends. Hence the widespread approval of this Bill, which seeks to prevent control of Santos passing into the hands of those whose primary interest is not the welfare of South Australia. Approval of this measure is certainly not limited to those with no personal stake or shares in Santos or any other company: it is widespread throughout the business community.

The Hon. Mr. Dunford has already referred to the interviews on television last night of people who can be described as captains of industry. Clearly, they supported the attempt by the South Australian Government in this Bill. In financial circles there is approval of this measure, despite the headlines in yesterday's *Advertiser* and the comments from the Chairman of the Australian Associated Stock Exchanges. Only two days ago, I spoke to an Adelaide sharebroker, who can be described as a pillar of the Adelaide Establishment and who is a previous Chairman of the Adelaide Stock Exchange.

He told me that he and many of his *confreres* approved strongly of the principles of this Bill. Whilst they might have reservations about one particular clause, they certainly supported what the Government was doing. This sharebroker implied that the entry of the Bond Corporation into such a vital area of South Australian resources was something that we could well do without.

I am sure that he and his friends on the Stock Exchange will be relieved and pleased when this Bill becomes law: so will I. I am confident that most people in South Australia will also be happy and relieved when this Bill passes this House.

Our gas and liquid reserves are too important to be left in the hands of those whose sole concern is their own private profit and power. If the Government wished to nationalise Santos, I would support that move too, but at present the Government believes that the public interest is best served not by nationalisation but by this legislation. I believe that the public interest will be best protected, and the resources of this State best used in the interests of the people of this State, if this Bill becomes law.

[Sitting suspended from 12.37 to 2.30 p.m.]

The Hon. M. B. DAWKINS: With some reluctance I support this Bill to the second reading stage. Generally, I am not in favour of legislation of this type, although I accept the need for them in exceptional cases. I concede that such legislation was necessary, if not altogether desirable, in the cases which came before this Council last year, when this Chamber had to pass similar Bills in regard to the South Australian Gas Company and to Executor Trustee Co. Ltd. Had more time and thought been given to those Bills, the results may well have been better than they have been. For that reason I would give consideration to and have sympathy with the intent of the Hon. Mr. Cameron to move for a Select Committee. However, that may not be desirable in this case because of the delay and the uncertainty that such a move may cause.

However, whether or not the Bill goes before such a committee, it certainly needs further consideration and needs considerable improvement before it reaches the Statute Book. I underline my opening statement that I will support the Bill in principle at the second reading stage, but the considerable improvement that I have just mentioned is absolutely necessary to be effected in the Committee stages before it becomes law and before it becomes generally acceptable as a law that is needed for the benefit of the people of South Australia. I do not quarrel with the need to control outside interests that may disturb the economy of South Australia. Such control was necessary with regard to the other two Bills to which I have just referred, and I agree with the need for some control in this instance so that the economy of South Australia may not be eroded by outside interests.

Nevertheless, I do take issue with the need to bring all shareholdings down to 15 per cent. However, to reduce voting power to that level is both necessary and imperative in this instance. I do not concede that shares bought some time ago in a proper and orthodox manner should be taken away by force from the purchaser. To reduce voting power to 15 per cent is reasonable, and is in accord with many instances of similar practice. This morning we had a list given to us by the Hon. Mr. Laidlaw of the normal procedures of several important public companies that confirmed the opinion that I have just expressed. I do not intend to weary this Chamber by repeating what was said or by adding to the list, but I have not the slightest doubt that it would be no great trouble to add to that list.

The fact remains that the provision of a variation between shares held and voting rights is reasonable, and I support that concept. Turning to the Bill itself, I do not

wish to discuss the various amendments which are either on file or in the process of coming on file, but I want to make some comments about the Bill and what I consider to be some of its shortcomings. Clause 3 as it stands enables the Minister to determine that, in his opinion, two or more shareholders are likely to act in concert with a view to taking control of the company, and provides that such determination is binding on the shareholders of the company. I objected to the words "in the opinion of the Minister" because, as I see it, there is no specific appeal provided from that decision. I believe that those words should be deleted from the clause.

I do not concede that clause 4 should remain in its present form. The clause provides that no shareholder and no group of associated shareholders of the company is entitled to hold more than 15 per cent of the shares of the company. I believe that provision is probably too restrictive, and I cannot at this stage support the clause. I have reservations, too, regarding clause 5, and I believe that clause 7 is objectionable and should be deleted.

The present intent of the legislation is to restrict any company or group of people from the private sector from having more than 15 per cent of the shares. There is no such restriction on the Crown. Under the legislation, I take it that the Crown could take up 85 per cent and the private sector could have 15 per cent; in other words, there is a difference of provision for the private sector and for the taxpayers' money which could be put into handling this situation. I do not believe that nationalisation of this project is desirable in any way whatsoever. I believe that there should be in the Bill a clause binding the Crown. If such an amendment is moved, I will support it.

I have no brief for Mr. Bond. I do not know him, and I have nothing against him except that I believe that he seeks to control a vital factor in the South Australian economy. I am appalled by what would appear to be his efforts to transfer State rights to the Federal sphere. I am concerned indeed to think that this gentleman would consider that the Federal Government, (which I believe, with some authority, would have no intention whatever of doing such a thing) should override the State and take charge of what is definitely a State right and what is vital to the State, the Cooper Basin being vital to the economy of South Australia. I must record my considerable concern that this would consider such a move, and I believe that it underlines the unsuitablity of this organisation, under Mr. Bond, having a large say in the economy of the Cooper Basin and of South Australia.

Other honourable members have dealt with the matter in more detail. They have been in a position to investigate it perhaps rather more than I have done. Therefore, with the qualifications I have indicated, I concede the necessity to retain control of the Cooper Basin, and, subject to the criticisms I have made, I support the Bill at this second reading stage.

The Hon. JESSIE COOPER: Despite many misleading statements and much false propaganda, this is not a Bill to nationalise anything. Very few countries today would tolerate a monopolistic takeover of a nation-wide wealth-producing activity. Even that powerhouse of private industry and enterprise, the United States of America, has so-called anti-trust legislation to prevent the type of exploitation that we are now contemplating.

This is a Bill to keep within the control of South Australians the production and sale of certain products and assets which, first, are of the South Australian soil; secondly, have been developed by South Australians; and thirdly, are being bought and used by South Australians for South Australian industry, for essential livelihood and vitality.

For many years, South Australians have invested their money in Santos, have drilled wells, have built roads and pipelines, and have awaited the day when production of fuel would come to fruition, when there would be greater efficiency and cheapness of production. In fact, they have waited for the day when there would be a general increase in wealth and prosperity in South Australia.

This is no emotional matter, nor an expression of nebulous principles. This is a matter of hard, cold facts—hard production, hard cash and continuing liquid viability of one of the State's greatest assets.

The Hon. R. A. Geddes: It must be close to the State's greatest asset.

The Hon. JESSIE COOPER: It certainly is. Now that an important volume of fuels is available, a fuel shortage is imminent and fuel values have soared, people who took no part in the original risk, took no part in the long years of doubt, took no part in the long years of exploration, wish to take over the organisation at what, I suspect, is a fraction of its true value, in order to exploit it as rapidly as possible for a quick financial return. I therefore support the Bill with certain amendments.

The Hon. M. B. CAMERON: I totally oppose this Bill, particularly the indecent haste with which this matter was introduced into this Parliament. First, we were told we were to be called back on 31 May, and all the tickets were sent out for that date. I can distinctly recall my wife receiving a ticket and making various arrangements. Then suddenly, "Bang!", we are meeting on 24 May. That was the first indication of just what this Government was prepared to do to trample on people's rights.

Why were we called back a week early? There can be no reason other than that the Minister wanted to avoid the exposure of this proposal to the people who own the company—the shareholders of Santos. He was not prepared to allow them to have a say in this matter. He was not willing to allow the shareholders to give any direction whatsoever to the directors. Of course, the real story behind that came out when certain directors of Santos started issuing statements in support of the Government. The Minister was protecting them from exposure to their own people. If anything happens to the value of Santos shares, those directors will be in gross dereliction of their duty to their shareholders. Surely, their primary duty is to their shareholders, but they have completely ignored it.

I have found the manner of introduction of this Bill abhorrent. No other word can be used to describe it, because the Minister set out to denigrate one man and his organisation. If the Minister had kept his whole objective at a high level, perhaps one could accept to some degree what he has said. However, instead, he got right down to gutter level.

The Minister did his utmost to denigrate Mr. Bond, who has been named so often, and to destroy the Bond Corporation. He set out to imply that the Bond Corporation was about to go bankrupt. As a result of the Minister's statements and implications (and I have followed the share market, although I do not hold shares), the Bond Corporation's shares have declined in value from 60c to 50c. I regard that as a gross abuse of the Minister's position in Parliament.

I would not mind if Mr. Bond or his corporation had done something wrong, but this has not happened. They have merely purchased 37·5 per cent of Santos shares that were previously sold by many members of the Santos board to an overseas company that went into receivership. The Minister has implied that, if the Bond Corporation at

some stage goes into receivership, it will be a complete disaster—that it will affect gas prices and do all sorts of things to this State. However, what happened when Burmah Oil went into receivership? Did gas prices rise or did Santos fall asunder? Those things did not happen and it is an absolute farce for one to make that claim.

The judgment of the Minister who introduced this Bill in another place must be called into question. I distinctly recall (as will many other honourable members) a Royal Commission that was organised by this Minister in 1974 to inquire into the suspension of a high school student. When one reads through the documents relating to that Royal Commission (and I have re-read those documents for the purposes of this debate), one understands the lack of judgment that this Minister can show, because at that stage he had appointed the Royal Commission into the suspension of a high school student who just happened to be the daughter of a friend of his, an endorsed A.L.P. candidate for this Council. The girl concerned, whom I will not name—

The Hon. N. K. Foster: You might as well, mate.

The Hon. M. B. CAMERON: The honourable member can do that if he likes.

The PRESIDENT: Order!

The Hon. M. B. CAMERON: This was a fair indication of the Minister's judgment, and it was recognised by the Labor Party, because the Minister was removed from the education portfolio shortly thereafter. So, when the Minister starts to imply things about people outside of this place, it is fair enough for Opposition members to say something about his judgment.

I should like to know whether the dates of any other session of Parliament have been changed specifically to deprive the shareholders of a company of their rights. Not only that is happening but also the Minister is giving himself, in the Bill, power to override any resolution of a shareholders' meeting. In other words, even if the shareholders' meeting carried motions, those concerned are faced with the prospect of all their motions, which they carried properly, being cast asunder by the Minister through the *Government Gazette*. So, the Minister will further protect people from criticism by his own directions to the company. The Minister might as well own the company, because it is clear that he will ride roughshod over Santos's shareholders. Surely, that provision is contrary to all democratic principles. The Governor, in the Speech he delivered when opening this session of Parliament, made perfectly clear what this Bill was all about in the Minister's mind.

That may have been the protection of the Cooper Basin, as he said, but it really seeks to get at one person. Eight months ago that person purchased 37½ per cent of shares held by overseas interests. The Minister has said that it was a terrible mistake to let that man get them, so we are legislating now to correct a mistake that the Minister and the Government have admitted.

However, in order to correct that mistake, the Minister is prepared to destroy the reputations of a man and a company. If anyone should be destroyed by this Bill, it should be the Minister and the Government, because they allowed this position to arise. Any comparison between this matter and the Ansett matter is irrelevant, because in the latter matter the Victorian Government acted before the events took place.

The Hon. Anne Levy: The Government was not told.

The Hon. M. B. CAMERON: Come on! Everyone in the Government must have known that the Burmah Oil shares were for sale, because they had been offered to other people. Are you saying that the Government did not know that that had been done? That is nonsense. Even then, action could have been taken immediately, and no harm would have been done, but the Government has waited for eight months and then says, "We will offer you 10 per cent of what you had originally." The Bond Corporation has not changed in that eight months. If the corporation is in the position that the Minister has painted, it was a gross dereliction of duty on his part eight months ago that he did not act then. Surely he had knowledge of what took place then.

The Hon. J. E. Dunford: That is supposition. You are supposing.

The Hon. M. B. CAMERON: If the Minister did not know, it was a gross dereliction of duty, because doubts were raised at that stage. Court proceedings were commenced about the whole affair. Today we are rectifying a mistake made by the Minister but, at the same time, condoning what he has done to damage Mr. Bond and the Bond Corporation by his intemperate outburst in Parliament. I believe that, when these shares were purchased, the Government accepted Mr. Bond as an owner of the shares. If it did not, it did not say much about the matter. It had the opportunity to do so and should have stated whether it was prepared to accept that. Yesterday the new Premier of this State had the audacity to cast aspersions on directors of companies in this State. He said:

> I have not come here to teach you how to suck eggs . . . Many companies in South Australia are well run, highly efficient and competitive.
>
> But in recent months I have had visits and received phone calls from a number of business men claiming a high degree of public interest for Government intervention when a takeover threat looms.
>
> But the message from interstate business, and not just from the corporate raiders, is that many company boards in South Australia just aren't keeping up with the action and are slow to react.
>
> Instead, decision awaits crisis and then too often there is panic, and my phone runs hot about a situation that could have been avoided long before.

That is exactly what has happened in this case. The Government did not move when it should have moved, and now it is panicking into a move and, in the process, is trampling on Parliament and the rights of people. The Government and the Minister are guilty of what they yesterday criticised directors in this State about. It was extraordinary for the Premier to say what he said, after having placed Parliament in that position.

Not just the Bond Corporation is affected by the legislation. Other companies are concerned, because not all 37½ per cent of the shares were purchased by the Bond Corporation. I raise the problem of Endeavour Resources, which company has had the kindness to provide me with some information on itself, limited though that information might be. The Bond Corporation holds 24 per cent of Endeavour Resources, and has two out of the 10 directors. There are 16 000 other shareholders of Endeavour Resources, and this legislation will affect that company just as much as any other section of companies involving Mr. Bond as a shareholder.

What consideration has been given to their position? They are not in the Bond stable, as such, nor part of it brought in under the Bond wing. They are separate and independent companies with expertise in petroleum exploration. For the Minister to say that the Bond Corporation has no expertise, he has totally ignored this particular company and its situation. He obviously does not care that Endeavour Resources has just raised $6 000 000 from its shareholders to finance its purchase of the shares in Santos. What are these people supposed to

do now? Should they say, "Look, because the South Australian Government made a mistake, we'll have to send your money back, because we have to sell the shares?" What an extraordinary situation for the Minister to put these people in, as a result of his own dereliction of duty and failure to move at an appropriate time.

The Hon. C. J. Sumner: What was the mistake?

The Hon. M. B. CAMERON: The mistake was in not moving. If he felt that this was the wrong move, he should have acted in November.

The Hon. J. A. Carnie: He admits the mistake.

The Hon. M. B. CAMERON: He said, "I've made a terrible mistake." Why should these people suffer for his dereliction of duty and mistakes?

The Hon. C. J. Sumner: Burmah did not tell Santos or the Government that it was selling.

The Hon. M. B. CAMERON: Once the news came out that Burmah had sold to Bond, if the Minister wanted to move, that was the time to move.

The Hon. N. K. Foster: Would you have supported him then?

The Hon. M. B. CAMERON: No, but that is not the point. The Government is moving in with this Bill eight months later, whereas it should have acted before these people made these arrangements. What the Government is doing now is affecting thousands of people, because it refused to move at that time. Goodness knows why, because no fresh information is available. The Minister has given some indication that he has made a generous offer to the Bond Corporation to pay what they paid for shares, plus 10 per cent. As I understand it, although I do not have the figures in front of me, it would return them $1·95 per share. It so happens that the present market value is $2·45 or $2·50, although the market value has risen to $2·85. It is really generous of the Minister to offer 50c less than the present market value. What he knows and what everyone understands is that, once the legislation is passed and all these shares he will force Bond to sell are on the market, the price will go down.

As I understand it, he has indicated that he will be perfectly happy with that situation, because he will then be able to move in. He has said that he is not intending to nationalise Santos, but I do not believe that. I believe that his real intention is to nationalise it eventually (I am not talking about tomorrow or the next day, but about his final intentions). What the Minister is doing by the Bill is to reduce everyone to a common denominator of 15 per cent. He is dividing them and will then conquer them, and he is making certain of this by not binding the Crown. There will be 22½ per cent of the shares on the market which he has offered to buy and which he says he will offer to someone else, but we will see. As I understand it (and I hear a rumour is circulating today) Australian Gas Light has put all but a small proportion of its shares on the market.

However, it will have only enough to have one director on the board. There is another parcel of shares on the market. I hear that, if the legislation is proclaimed in its present form, financial institutions are talking about selling their shares. If we add them up, it comes to about 42 per cent. The only person in a position to buy those shares will be the Minister, and they will be at a price fixed in line with the fact that there will be so many shares available on the market that the price must go down. At present the Minister does not need to nationalise the company, because under clause 7 of this Bill he already has control over shareholders' meetings. I suspect that the Government's intentions are much deeper and more devious than any of us understand. I would like to know the truth about the meeting at Ayers House—that mysterious dinner attended by the Deputy Premier and Mr. Bond. It is extraordinary to me that a man can spend five hours at a dinner party with another person and then say about him, "He is the biggest crook in the world, and his company is about to go bankrupt."

The Hon. F. T. Blevins: I have had lunch with you.

The Hon. M. B. CAMERON: I cannot recall having had lunch with the honourable member. I certainly have not paid for such a lunch, and I do not recall enjoying the honourable member's generosity. I would seriously consider an invitation, provided the honourable member did not talk politics. The people for whom I feel really sorry in this whole affair are the ordinary shareholders in Santos whom the Government claims it is protecting and whom the present board claims it is protecting. The share price has gone down and will continue to go down. I do not believe that anyone in this whole affair has seriously considered the shareholders' position. Not all of them are South Australians, as everyone has said. Santos shares are not listed in one State only; people from all over Australia hold shares in Santos. I find this inward-looking attitude of the Government extraordinary. We see evidence of it in the following extract from the Governor's Speech:

> The fact that control of Santos Limited has fallen substantially into the hands of a single entrepreneur from another State . . .

One would think that we were separate countries. Does this mean that we need an Act to ensure that no person from another State can come here and invest? What is meant by the term "from another State"? The implication is that an investor is not acceptable if he is from another State. As far as I am concerned, we are all Australians: we are not separate States. We are one country, and the sooner we wake up to that the better. If people from another State wish to come here and invest, we should welcome them. This community certainly needs a lift. Many members of the present board of Santos sold a controlling interest, 37·5 per cent, to an overseas company. Now, these people are going to the Government and saying, "Stop this man from Western Australia." There appears to be a fairly high degree of hypocrisy in that move.

I feel sad for those people who have relied on the present board members to look after their interests as shareholders. No matter what the outcome, I find it rather strange and retrograde that those people should be relying on directors who are now supporting legislation that takes away even the right to have a shareholders meeting on this issue. That is a very serious affair indeed. I would not like to be in the position of those directors, and I would not like to have their conscience if they continue to support the legislation to the extent of backing the Government's move to have the legislation pushed through Parliament in this one day to avoid the directors' having to meet the people in their company.

I believe that everyone in this community, whether in favour of the Government or against it, should make sure that ordinary people have their rights protected. Time after time I have heard it said that this Chamber has a duty to protect the interests of people and to ensure that people can be heard, and that we are here to delay Government legislation until people can have their views put. Well, here is an ideal opportunity, and I say quite sincerely that, if this Chamber allows this Bill to go through on the basis on which it has been brought to us (it has been brought in early to avoid allowing people a say), this Chamber will do itself serious damage, and it will certainly be reminded of this event at some time in the future.

It has been brought to my attention (and I make no reflection whatsoever on the editorial staff of any South

Australian newspaper) that there is a fairly distinct difference between editorial staff and those who handle advertisements. An advertisement was placed by Mr. Bond and, although I do not necessarily agree with it, I think it is fair that, in the press, Mr. Bond should be able to put his point of view, whether by advertisement or editorial comment. I congratulate those people who have been making editorial comments on this issue, because they have been giving everyone a fair go. An advertisement run on a nation-wide basis by Mr. Bond in the *Australian* contained a certain clause. I have looked through several newspapers, and the advertisement is exactly the same for every paper except the *Advertiser*. The advertisement stated, in part:

> The South Australian Government won some strange bedfellows in their bid to take from Santos shareholders the control which has seen the value of their shareholding more than double in two years. For example, a group of Santos directors is apparently prepared to hand over control of Santos without seeking the views of the shareholders who elected them to look after their interests.

That is a fair enough comment. An advertisement in the *Advertiser* stated, in part:

> The South Australian Government won some strange bedfellows in their bid to take from Santos shareholders the control which has seen the value of their shareholding more than double in two years.

Strangely enough, the paragraph of criticism about the directors of Santos is missing. The advertisement continues:

> So today the Santos shareholders . . .

The Hon. Anne Levy: You have always thought that the *Advertiser* was not biased.

The Hon. M. B. CAMERON: I believe that this paragraph was deliberately left out because it was a criticism of Santos directors. It is serious indeed if, in this State, freedom of the press is interfered with in this way. As I understand it, the *Advertiser* is the only newspaper in Australia that did not run the total advertisement but left out the criticism of Santos directors. It is no coincidence that the Chairman of the *Advertiser* board is also the Chairman of the Santos board. I find it very alarming indeed that that situation has arisen. I would like some explanation from the *Advertiser* and the Chairman of the *Advertiser* board as to why this occurred, because I believe that Mr. Bond had the right (whether he was right or wrong in the totality of his advertisement is not relevant) to have his point of view put without suppression.

I believe that the Labor Government in this State has made mistakes about the use of gas. There has been far too much emphasis on the use of gas in the production of electricity. Of course, that is now to be altered, because a new station is being built at Port Augusta. It was an error of judgment early in the piece to use gas to the extent that the Government has done, and certainly it was an error to keep the price at an artificially low level. I am backed up in that by Mr. Keating (Federal Shadow Minister of Energy). The press report of his statement indicates that he wants responsibility for the pricing of gas taken out of the hands of the State. The report states:

> Mr. Hudson has pointed out South Australia is heavily reliant on the use of Cooper Basin gas at the Torrens Island power station . . . However, Mr. Keating disagrees with using natural gas to generate electricity.

Here is a strange situation: the report continues:

> These opposing views will ensure a lively topic for discussion at the Federal A.L.P. Conference in Adelaide from 16 July to 20 July.

One wonders whether a reason for the immediate passage of this Bill is to ensure that Mr. Hudson has it passed so that he does not have to argue that in front of the Federal A.L.P. Conference.

What has happened as a result of low gas prices (and it is a strange situation) is that probably we are using too much gas. Gas is a limited resource, and it is strange indeed that, although the A.L.P. is totally opposed to the use of uranium, the very use of the natural resource of gas will almost surely lead to an earlier use of uranium unless an alternative is found.

The Government claims that we must keep electricity prices low. That is fine, but against that must be balanced the fact that it is a diminishing and limited resource, and perhaps we should be looking more deeply into this area. However, I will not put that argument too strongly now because I intend to raise it as another matter later.

The Hon. N. K. FOSTER: First, I should like to reflect on the history of this place for a few moments. I want to acquaint the Council with what happened about 41 years ago. I refer to the *Hansard* report (27 March 1946, page 24) of what the then Premier, Hon. T. Playford, speaking on the Electricity Trust Bill said, as follows:

> I publicly stated that it would be the Government's policy to administrate, not on the basis of serving one section of the community, but of providing legislation which would serve all sections fairly and honestly. When the Bill was before the House last year I said it was not easy for a Liberal Government to introduce a measure of that nature. Notwithstanding that the Government was not governed by expediency, I said it would fairly face up to an issue and would provide legislation which it believed was in the best interests of people as a whole.

Mr. Playford was speaking on the Electricity Trust Bill after the Legislative Council had placed stringent and trying shackles on the Government concerning the Bill. A Royal Commission was insisted on. This Council was completely and absolutely of one mind, and it could be regarded only as having a Tory point of view; that view pervaded the Council. At page 23, the report of the Hon. T. Playford's speech concerning the establishment of a Royal Commission continues:

> The Bill was strongly contested in the Legislative Council and finally I was informed that the only way in which its passage could be secured was by the elimination of provisions (1) and (2) and the acceptance of a Royal Commission to investigate the whole matter. I was told that if the Government was not prepared to accept a Royal Commission the Bill would be defeated. It was much against my desire to accept a Royal Commission in place of the legislation the Government introduced.
>
> Mr. Thompson—A Royal Commission would go much further.
>
> The Hon. T. Playford—A Royal Commission would investigate all phases of the company's undertakings and the widest terms were provided by the Legislative Council for a Royal Commission which was to be on the basis provided in the original Bill, namely, one judge of the Supreme Court, one nominee of the Government and one nominee of the company.

The report also states:

> The legislation went to the Legislative Council containing three provisions:
>
> (1) that any future sales of shares should be offered to the public;
>
> (2) that there should be a limitation of the amount of dividend to be paid by the company; and
>
> (3) that a Royal Commission would decide whether there were any assets of shareholders which should be made available to them from the company's reserves.

The outcome of that was that the commission found

unanimously in favour (if I may use the term of members opposite) of nationalisation of the electricity supply. That was contained in a policy speech that the then Premier made some 41 years ago. It is also very interesting to refer to page 24 of *Hansard* of 27 March 1947 where the Hon. T. Playford is reported as follows:

> It was, and I repeat that it was for acquisition. In paragraphs 95 and 96 of its report the commission stated that if the finding of acquisition could not be considered because of political reasons the alternative was that the company should be controlled.

He goes on in that vein for some time, but I do not want to dwell on that aspect. I want now to deal briefly with another passage that appeared in *Hansard* of October 1945 concerning the South Australian Electricity Trust Bill where Thomas Playford is reported as follows:

> The real difference of policy which led first to the inquiry arose over the use of Leigh Creek coal, the Government holding the view that it was necessary that South Australia should take every step possible to develop local fuel resources in the interests of the State, and the security of employment and industry, and the company the view that Leigh Creek coal would not, in the long run, be as cheap to it as Newcastle coal, and that the Government should make some concession if the company was to use the Leigh Creek product.

There is nothing new under the sun, as the old saying goes. This ground has been traversed before. Incidentally, preceding that Bill for the acquisition of the Adelaide Electric Supply Company was a Bill not dissimilar from the measure that passed through the Parliament some few months ago concerning Sagasco. I do not think any member on this side of the House, or on the Government side of the House of Assembly, has attempted to take any kudos or personal credit for what the Government has had to do in accepting its responsibility regarding the measure which has been before the Assembly and which is now before this place.

No-one will quarrel with the rights of members opposite to have a point of view. I appreciate that, on behalf of the people of South Australia, an expression of view has been voiced outside of the House which to me, spells out quite plainly that people's views have become enlightened. Much water has flowed under the bridge since the late 1940's, and many companies have disappeared since that time as a result of much the same type of take-over activity as could well happen in this case. Nobody kicked up much of a fuss in South Australia when many of the family brewing industries disappeared from South Australia some 100 years ago. I am suggesting that they did not disappear because of company take-overs—they disappeared because transportation improved, and a number of places were brewing beer throughout the country in South Australia.

After the Second World War there were several well-established private enterprise, free-business organisations in the beverage industry generally: Woodroofe's and Hall's and others that do not exist today. There was no question of bankruptcy in Woodroofe's or Halls, but there was a matter of bankruptcy with Burmah, and that is where some members of the Opposition have failed to draw the line and see the difference. There is a difference when a company is in bankruptcy as to whether or not it can be raided with some ease by unscrupulous or irresponsible people. It is another matter when a company that is viable is taken over. Some of the companies in danger of being taken over in South Australia have been most viable. The Adelaide family bakeries are another example: they were sold along with biscuit manufacturers. They were not bankrupt: they were viable. I put that to honourable members opposite to counter arguments that they have put up today that the Government should have done this or that.

The wine industry is another classic example. Many open vineyards existed around Adelaide and were taken over by multi-national companies. The transport industry is yet another example. I regard this measure before the Chamber so seriously that, if it were my job to make the decision, and the Bill was rejected by the Council, the people of the State would decide the issue by an election. There would be no argument or quarrel about it whatsoever. We have reached the time in our day and age when society is faced with all sorts of dangers and threats and is dependent upon a very thin thread. It is not only society in Adelaide that faces the problem; it is a Western world problem. The threat in South Australia is the gas line and, before that, it is the fuel from which it comes.

Today, because of high technology taking over in industry, there has to be a change of attitude by the Government as to the future well-being of the young people of this country, if in fact the system is not changed. If the Hon. Mr. Cameron was in the House he would probably interject that I was a communist or wanted to socialise everything. That is just not on. The measures that are being taken today are in keeping with the policy of the Labor Party. One makes no apology for that. The policies of the Labor Party were stolen by the Playford Government with respect to the Electricity Trust. I deplore the emotionalism that has been evident in some of this debate.

If one wished to refute some of the false arguments and contentions put up by the Opposition, one could refer to all sorts of printed material available in *Hansard* and in many other editorial comments. I have said in this place before that there ought to be a policy by national Governments in this country instead of listening to what Mr. Bond may say to the Government on the matter that was raised by the Hon. Mr. Laidlaw and referred to in yesterday's *Financial Review*. A defence might be used against the legislation in South Australia and that is very deplorable. It is all right to say, "We should be using gas to produce electricity." I could not agree more, but no-one should abuse Playford for burning oil in power-houses in the late 1940's and 1950's.

Could anyone criticise the then Government? Because of continuing industrial problems associated with the coalfields and with the transportation of coal to South Australian in the late 1940's, with consequent widespread blackouts, the Government sought another avenue for obtaining power: that was the oil used at Osborne. No doubt the present Government would like to be able to discontinue the use of that strategic resource tomorrow. I do not use the term "strategic resource" in the military sense, but in the industrial and social sense. Oil certainly is a strategic product.

The Hon. Mrs. Cooper referred to America and its trust laws. Perhaps she had not had a chance to read today's *Financial Review*, which expresses some opinion on what Senator Edward Kennedy feels towards Exxon, one of the largest of the American companies in this field. It is a company to which I referred in this Chamber during the debate on nuclear matters as pioneering the laser method in the nuclear power industry, and I referred to what that meant in the future.

As a person who has been involved in the nuclear argument longer than has anyone else in this Chamber, I take umbrage today. It is not true that we on this side are totally opposed to the use of uranium. We are opposed to the use of nuclear power until it is proved that it can be used safely and in the best interests of the community. The

accidents that have occurred in the months since that debate bear out that, without doubt, the attitude we have adopted must prevail until such safety measures are found.

Today's *Financial Review*, referring to Exxon, states:

> Conglomerate mergers by any large corporations are already under attack in Washington. Oil company diversification is even more unpopular than most. Senator Edward Kennedy is proposing to broaden his assault on the oil industry by introducing legislation which would forbid oil companies from making acquisitions worth over $100 million.
>
> Even middle of the road Republican Senators are turning on the oil industry. Senator Howard Baker, a leading Republican and prospective presidential candidate, warned last week that the oil industry "might be headed for breakup or even nationalisation," if it did not respond to feelings that it is "gouging" the public.

Although I could continue on that theme, I do not wish to do so. I think the point has been made, and it has been confirmed by those statements. What is being done today is not being done on the basis of some nit-witted A.L.P., hell bent on socialisation of the whole of the petroleum energy industry, but on the clear-cut basis that the Government has a responsibility. It did not see the dangers when Burmah first went into the Cooper Basin.

The Hon. D. H. Laidlaw: They were warned.

The Hon. N. K. FOSTER: I agree. Going back further than that, however, was anyone in Australia expressing doubts when Burmah had more exploration rights on the North-West shelf than had any other company? Burmah was the popular company, a multi-million dollar company with expertise dating back 100 years in Middle East oil, a company accepted on the Australian scene right across the political spectrum from the field of exploration to the point of production. Burmah was the largest holder on the North-West shelf. Exxon, if I remember rightly, bought much of the interest of Burmah on the North-West shelf. Can anyone suggest that Exxon has criticised Burmah for what happened? It was an expert company, and not a single person. Burmah Oil Exploration had not been involved in land deals in Western Australia that netted $2 000 000 overnight because of false valuations.

Burmah Oil never went to Canberra during the 1970's seeking a straight-out grant of about $7 000 000, as Bond did. Bond came in because he thought there was a quid in it. Other people have invested their money because they wanted some profit. At the same time, you have to draw a distinction between Santos and Burmah Oil.

I have a map showing the companies involved in the Cooper Basin, listing their percentages. Each and every one of them are known explorers and could not be regarded as money manipulators. You could not apply that type of experience and expertise to the Bond Corporation. Therefore, as responsible people, members must search their minds to determine what this individual's motives are. If you look at his past motives you could only decide that the debt structure around his corporation and around his name shows he is at risk. If he sells to some scally-wag company on the international scene—be it Chicago, New York, Tokyo, manipulators in London or anywhere in the world—the people of South Australia, not the politicians such as the Hugh Hudsons of this Party or the Dr. Tonkins of the Opposition, will find they are in difficulties. If the Federal Government is hellbent on continuing with the issuing of fuel and energy export licences, overseas companies would have control and they might start exporting those resources, thereby defying the whole present system.

Over 80 per cent of the l.p. gas from Bass Strait goes to Japan. The best coal in the world is produced on the eastern seaboard of Australia and the bulk of that coal is exported. The Hon. Mr. Geddes recognised that fact in the debate today. He recognised that there should be some restriction on giant companies such as Utah, and that they should not be coming here with the biggest ships in the world, building the biggest harbors in the world, introducing the highest technology in the world or using giant shovels which, in one hit, bite large holes in the earth the size of the Adelaide Oval. Companies such as this employ only five or six people, and then send the product they produce overseas. This procedure is a danger to Australia.

I commend members opposite who have already indicated their support for the Bill. To those members who are still wavering, be it on their heads, particularly Mr. Griffin who is 40 years younger than I am and who will have to put up with this situation long after I have left this place. He has a greater responsibility than I have. He will have this matter on his conscience, and maybe his children will take him to task, more so than my children have taken me to task in regard to this present situation. I say that, not in a jocular vein, but seriously. This is a real concern when you come down to what it means to people.

From a legislative point of view, what is transpiring here today is in fact not new. It was foreshadowed by Playford in 1948 and is contained in *Hansard* for all to read. In fact, it was put into practice in 1945 through the Electricity Bill which came before the State.

That legislation was designed to enable us to use a resource within this State that is still being used, despite what everyone said at that time regarding Leigh Creek coal. Even today, we in South Australia are so desperate that we are looking for coal which, although it may be of a lower quality, may be found in greater quantities. A few tonnes of it will be exported from Australia so that we can evaluate its value in terms of energy. We cannot test it here: that coal must be sent to West Germany for testing, and West Germans are notorious regarding whether they will give an honest answer. They will probably answer in such a way that we will end up buying their technologies.

Although it is relatively easy for any Government or members of this Council to take something at face value, we have a definite responsibility in relation to this vital question. If people think, as many seem to, that the energy crisis will not occur at all or that it will not happen for a long time, and that they will always have power at their disposal for lighting, driving machines, and so on, they are in for a hell of a shock.

There is a need for much more radical thought to be given to the future of society, not in Adelaide but in Australia generally. I do not mean that in a political sense. However, one must remember that 7 per cent to 10 per cent of people are now unemployed, and many of those people have not had a job since they left school eight years ago. Many of the people to whom I am referring are in their mid-twenties, have never had a worthwhile job of their own choice, and are on unemployment benefits. Once this happens to a person, he is taken out of the wealth distribution stream. One can argue forever whether that is equitable, but that is what happens.

When talking about unemployment, one is reminded of the situation in Japan, where one can see the largest manufacturing engine plant in the world. It starts off with virtually raw material at one end of the line and comes out at the other end as a complete engine, and only five persons are employed on that line. One is able, therefore, to see what can happen in future. If one believes that those fortunate people who are employed will share in the distribution of wealth whereas those who are not employed will not be able to do so, the latter will be knocking on the door much more strongly in future if

Governments do not realise that a change must occur in this respect.

I do not wish to refer too much to the Hon. Mr. Cameron's contribution to the debate as he carried on with irrelevancies regarding Royal Commissions. If the honourable member wanted to talk about Royal Commissions, he should have referred to that in relation to the Electricity Trust in the 1940's. Those persons who change their minds regarding this matter have wisdom; no derogatory terms should be used as this is much too serious a matter for irresponsible behaviour. I commend the Bill to the Council.

The Hon. T. M. CASEY: First, I compliment the Hon. Mr. Laidlaw on his contribution to the debate. What he said was concise and he covered a wide range of companies in Australia that have been and are controlled by both Federal and State legislation. I also compliment him on the homework that he has done. As he is a company director and expert in this field, he has these matters at his fingertips. The way in which he conveyed the information to the Council did not leave any doubt in my mind regarding such an important matter as the resources of this State remaining in the hands of the Government and, in this case, of Santos.

This afternoon two members have spoken forcibly about why the Government did not act when Santos decided to sell shares to Burmah or when Burmah sold those shares to the Bond Corporation. If members read the statement by the Deputy Premier, who was responsible for this Bill in another place, they would see that, when the transaction between Burmah and the Bond Corporation took place, the Government did not know about it. In the first instance, we were told that, when Burmah and Santos entered into an agreement, that agreement was that, if Burmah decided to sell its shares, that company would notify both the Government and the board of Santos to that effect.

The arrangements were in the form of two deeds which Burmah had taken out with Santos and which had been lodged with Santos. Apparently, when Burmah went into liquidation and a receiver was appointed, the receiver at the time took the bull by the horns, ignored these deeds, and sold to the Bond Corporation at a price higher than anyone else would have contemplated then.

I understand that the Bond Corporation has not paid cash for these shares but bought them under long-term arrangements and has been paying them off piece by piece. That means that interest on these shares is accruing day by day. I do not know the figure covering these shares but I have been told that it is about $26 000 000, which is a large amount of money for any company such as the Bond Corporation even to contemplate paying back now. The Government knew of these deeds and the agreement with Santos, and Burmah assured the Minister and the Government that the Government would be told if it was decided to sell the shares.

However, the Government was not told, and these undertakings were carried out by Burmah and the Bond Corporation. Neither the Santos board nor the Government knew, even though Santos had deeds covering the transaction and the Government accepted assurances that had been given in good faith. That covers the argument that the Hon. Mr. Hill and the Hon. Mr. Cameron have used. In terms of the Bill, the Bond Corporation will not lose one cent.

The Hon. M. B. Cameron: Oh!

The Hon. T. M. CASEY: The Hon. Mr. Cameron may well laugh. The Government has given an undertaking that it will pay 10 per cent above the price paid for the shares. I do not doubt that the Government is open to any negotiations that Mr. Bond might seek. Strangely enough, in the first instance when negotiations were carried out by Mr. Bond and the Minister, Mr. Bond wanted $3·75 for his shares. The last time they met, Mr. Bond had reduced the price to $2·50, so he came down by $1·25 in a matter of only a couple of days. One can see that he was desperate to get out from under. I believe that the Government was within its rights with its offer. I would not like to see anyone who has invested in shares lose money in this instance.

It is worrying that the Bond Corporation (it does not matter whether you look at the present position or go back to 1972-73) has paid only one dividend, amounting to about $189 000. In the remaining years, it operated at a loss. One can therefore see that there was an ulterior motive behind the corporation's actions, because it wanted to get the good managerial ability that has been displayed by the Santos board, in order to prop up its losses in its other companies and subsidiaries.

I understand that, over the past few years, the assets of the corporation and its subsidiaries have slumped from $91 855 000 in 1973-74 to $37 446 000 in 1977-78. Those figures alone have led me to believe that one reason why Mr. Bond wanted to get into the Cooper Basin was that it contains a commodity which will always be recognised as one of the key sources of energy in this State and which will thus be in demand both by industry and consumers in South Australia. He thought he could not miss.

The Hon. M. B. Cameron: Is that a reasonable assumption in business?

The Hon. T. M. CASEY: No, I do not think so. Deviating for a moment, I will try to pick up the threads of the Hon. Mr. Cameron's speech, particularly when he said that this Chamber always protected the people of this State. If that is so, one of the major resources we have in the State is gas, which probably services the entire community of South Australia—not just one man or the Bond Corporation. If the Hon. Mr. Cameron is sincere in what he says, he should be looking at the overall picture of who will profit by the Cooper Basin—one corporation under Mr. Bond, or the people of South Australia and this State's industries. That is what we should be looking at, in the interests of the development of this State in the years to come.

We have often heard about world parity prices for gas, and I think that the Leader of the Opposition in another place said that we should be going to world parity prices for this commodity. The latest figures supplied by the Electricity Trust indicate that, if we went to world parity prices here, our consuming public would be paying between 50 per cent and 75 per cent extra for gas.

Over the years I have taken a great interest in the development of the Cooper Basin. I know the country well. As a matter of fact, I was in that area when the first hole was drilled. Because it was a dry hole, they left it as an artesian well. I was also in the area when they first struck gas. I recall that the former Premier of this State, Sir Thomas Playford, went there when they struck gas, and I happened to be in the area at the same time. Of course, Sir Thomas went there by aeroplane, whereas I had to drive there. In those days, when I travelled 50 000 miles a year, I did not mind such travel, because it was in the interests of the people of South Australia.

I believe that the potential of the Cooper Basin has not been touched. There are many resources in that area, and I am pleased that on one occasion recently they even struck oil. We must zealously guard the potential of the Cooper Basin in the interests of the State from the viewpoints of the consuming public and industry. When

the construction of the Torrens Island power station was contemplated, the authorities considered using oil to generate power, but they later decided to use gas. I believe that the electricity generated by the Torrens Island power station will be vital to the economy of this State from the viewpoints of industry and the consuming public. I have no doubt that the Bond Corporation went into the Cooper Basin to extricate itself from the financial dilemma in which it found itself. It was deplorable for the Bond Corporation to take over a well-managed company, Santos, and to exploit this State's fundamental assets for its own gain. For those reasons, I support the Bill.

The Hon. K. T. GRIFFIN: This Bill is a much delayed reaction to the threat created by one man's activities. I say it is much delayed because the Government ought to have reacted, if it was going to react, when the Bond Corporation consummated its purchase of the Burmah interest in Santos—not nine months later. Reaction against a specific threat, rather than acting on a broad definitive policy with long-term goals, is often the genesis of bad law, and certainly it is not good government. This Bill has all the marks of a "Get Bond" effort, and it shows none of the marks of a well developed policy on energy resources.

We all accept that energy is vital to this State. The gas provided from the Cooper Basin is also vital. We depend on it for our electricity, and ordinary households depend on it. Industry depends on it, and it provides valuable revenue from outside the State to assist our economy and to enable Santos to develop its reserves. It is therefore very much a part of the basic structure of South Australia's life and very much an integral part of our national life. It is a vital resource, and we are fortunate in South Australia to have vast supplies in our State. We therefore have an obligation to use it wisely and ensure that nothing is done to prejudice the supply at reasonable prices and nothing is done to prejudice the initiatives for exploration and development of more reserves. I guess that we in South Australia can live without a variety of things such as certain appliances and other items but, as a community, we would find it most difficult to live without the assurance of supplies of gas and electricity.

If there is a threat to the stable long-term supplies of these energy sources, then there must be some action to meet the threat, but in the long-term interests of the community, it is best to have a comprehensive and cohesive policy rather than acting on an *ad hoc* basis. However, it is on an *ad hoc* basis that this Bill is now introduced.

I believe that gas and other resources will be best developed not only in this State but nationally, and managed in the interests of the community by private enterprise in co-operation with Government, and by Government providing a stable framework within which private enterprise is able to initiate action, to take risks if necessary, and to be rewarded for effort and initiative. The private sector, if it is competitive and well managed (as most often it is), will perform better than Government bureaucracies and will provide better value for money spent in those endeavours.

I think the key is "enterprise". There has been some discussion about free enterprise in relation to this Bill and the inroads that the Bill makes into that concept. I believe that the Bill does make inroads into that concept, but differently from the understanding that others have of that concept of free enterprise. My view is that the mere restriction of shareholdings or voting rights in a company does not, of itself, mean a denial of free enterprise principles. Restrictions on voting rights or shareholdings can, in fact, enhance the free enterprise concept. It can prevent monopolies, the conflict of interests, or the exercise of power which, if not controlled, may be oppressive and may restrict or eliminate competition, acting against the principles of free enterprise and the interests of the community as a whole. That, of course is why we have restrictive trade practice legislation and why other countries have anti-trust laws. In Australia, there are controls on banking and on the media under the Broadcasting and Television Act, because they are areas most important to the basis of our society.

Such legislative requirements enhance the competitive climate and eliminate practices that are designed to put the interests of the community below the interests of a potential monopoloy. As a Liberal, I believe in the free enterprise system, not a free enterprise system in a *laissez faire* atmosphere but an enterprise flourishing in the context of responsibility to the whole community, with freedom from as much Government control as possible, and with the right to make a profit, all balanced against the freedom of others and the overall community interest. I believe that private enterprise that prospers in this context will benefit the whole community, not just sectional interests. I also believe that Santos should remain in the hands of private enterprise, because it is there that it will flourish and will be of most benefit to the community.

Of course, one must take into account in this instance the circumstances with which we are dealing: not just any private enterprise company is involved but one responsible for an energy resource upon which the community of South Australia is heavily dependent. That important fact must be considered.

The Bill departs from what I regard as basic principle in three major respects: first, its retrospective application; secondly, its requirement that shareholders divest themselves of excess shareholdings; and, thirdly, that it does not specifically bind the Crown. Regarding the two points of retrospectivity and the requirement for shareholders, in certain circumstances, to divest themselves of excess shareholdings, I point out that the shares purchased by all shareholders up to the present time, whether it be the Bond Corporation, Australian Gas Light or any other shareholder or group of shareholders, have been purchased in good faith without any hint or warning of impending controls or other impending restrictions.

Under the Bill, they are to be required within not less than six months to divest themselves of excess shareholdings over 15 per cent. One can imagine the consequences of dumping such a large volume of shares on the market. Indeed, that is a prospect that we must consider, notwithstanding the assertions that have been made that there may be persons of an institutional nature already interested in acquiring certain parcels of these shares.

If one were to take the situation where the shares as a whole were required to be put on the open market within six months, the prices generally available, not just to those shareholders but to all the company's shareholders, would slump dramatically and there would be substantial costs and losses to any shareholder so required to divest himself, or itself, of such shares.

One can appreciate that in the scheme of the Government's Bill it is necessary to restrict shareholdings to limit influence within the company, but the consequences in terms of financial loss suffered by any shareholder caught may be disastrous. Whilst not prejudicing the asset but still achieving some reasonable measure of control over the future of this energy resource, a limitation on shareholdings approximating the present shareholdings and a limitation on the voting rights will

achieve the desired result. Provided there is a reasonable ceiling on the maximum shareholding, the votes that are cast will be the critical factor in such a scheme, because it is the votes that are exercised that have the power and not the shares themselves. Some limitation on voting rights with some reasonable ceiling on maximum shareholdings is what I prefer if some control is necessary.

The third area where I believe the Bill departs from what I regard as a basic principle concerns the binding of the Crown. As I have said, the Bill does not bind the Crown, which can take over the company, or nationalise it by stealth, by so arranging for various instrumentalities of the Crown holding the maximum permissible number of shares, without those instrumentalities being limited by the grouping provisions that apply to the private sector.

The Crown must be bound by any provisions that bind the private sector. If it wants to take over the company and control the resource, let it come back to Parliament, in a hurry if necessary, make that view known openly, that introduce amending legislation, if required, and face the criticism of the people for its expressed intention of nationalising this resource. Let it be accountable publicly for its actions. Let it not achieve nationalisation and its objective by the back-door method.

I raised earlier the question of whether some control is necessary. It is difficult to be objective about this in the light of the "Get Bond" activity of the Government, but I will try to be objective, ensuring that as much as possible the rights of any people who might be affected by this legislation are protected. If one looks at it objectively, one must acknowledge that a vital energy resource is involved, that the South Australian community is dependent upon it and that it is an important requirement that the operation of the company and the management of the resource in the future will be stable. There is also a requirement for the company to have stable management with the necessary expertise available in the area of gas and liquids exploration, exploitation and management. The risk that any one shareholder can gain control of this resource is real. Of course, such control can be either in the interests of the community or not in those interests.

The risk that such control may not be in the interests of the community is a real one, and if it were achieved it would undoubtedly be prejudicial to all of the matters to which I earlier referred. It could, in fact, lead to a monopoly situation, which would be most detrimental. I conclude that some measure of control is necessary, provided it does not prejudice the reasonable position of shareholders who acquired shares in good faith. In view of these matters, I will support the second reading to enable substantial amendments to be considered in the Committee stage to give effect to what I believe to be the important principles to be enunciated and embodied in this Bill.

The Hon. F. T. BLEVINS: I strongly support this Bill. I commence my address by quoting from the *Hansard* report of the speech made by the Leader of the Opposition (Mr. Tonkin) in the House of Assembly on Friday last, as follows:

> It is essential now that I remind the House, in very basic, philosophic terms, of the principles which must always govern our deliberations. There are two principles of government which are basic—indeed, are axiomatic—in the Westminster tradition. The first is this: that people are entitled to operate freely within the law in the certain knowledge that their actions will not be prescribed unless the public interest has been injured, unless it is endangered, or unless, on the balance of probabilities, it is likely to be endangered by their behaviour.

I thought that that was a good statement, and I agree with it completely. I must add that it is the only part of his speech with which I have any agreement. If one examines the proposition put forward by Mr. Tonkin, his first proposition was as follows:

> . . .: that people are entitled to operate freely within the law in the certain knowledge that their actions will not be prescribed unless the public interest has been injured . . .

I think, in this case, the speculation that the Bond Corporation will control the natural resources of this State has alarmed those involved with the public interest, and the Government has been particularly alarmed. Mr. Tonkin continued:

> . . . unless it is endangered, or unless, on the balance of probabilities, it is likely to be endangered by their behaviour.

I think that what the Government is doing in this case certainly bears out what Mr. Tonkin said. I think that the people of South Australia can see a growing threat from the control of this important resource by the Bond Corporation. I am quite sure that they approve almost entirely of what the Government is doing.

The second reading explanation given by the Deputy Premier in the House of Assembly and the Leader of the Government here just about says it all regarding why the Bond Corporation should not be allowed to gain control of the gas supply. I do not think that there is much left to say. I think that in the main the speeches made today tend to bear me out. I have heard possibly the best second reading explanation that I have heard since entering this Parliament, and it certainly persuaded me how I should vote. It has certainly persuaded the overwhelming majority of the South Australian community, including those persons who write for the *Advertiser* (who are not easy to persuade but have agreed), that what the Deputy Premier of the Labor Party has spelt out is the position, that the fears he has expressed in that second reading explanation are very real fears, and that the Government is correct in doing something about this matter.

It is very necessary for this State to keep such an important resource as gas. We are not a wealthy State in terms of natural resources, and it is important that we should control what resources we have. They have to be controlled by responsible people, and "responsible" is the operative word in this whole exercise. It is all right to say, as the Hon. Mr. Cameron did, "We are, after all, one country—this is Australia. We should not be concerned about New South Welshmen or any other people, provided that they are Australians." That is a very naive statement. The Hon. Mr. Cameron would be the first person to scream if a New South Wales company bought a controlling interest in our natural gas and diverted supplies from South Australian business to New South Wales business. That is not an impossible situation; it could arise. Mr. Cameron would rightly scream about that, and I would agree with him. It is not good enough for him to say, "This is South Australia; we should not mind control by Western Australia or New South Wales."

Mr. Bond and his company are not considered responsible people by this Government, by the House of Assembly, by this Chamber, and certainly not by the community as a whole. The reasons for that have been outlined in the second reading speech. I do not intend to go through them again and involve myself in an exercise against Mr. Bond. Suffice to say that everyone in business circles and in Parliamentary circles with whom we speak and the community at large believe that Mr. Bond's reputation is such that he is not considered a responsible person to control the gas supplies of South Australia.

I have some sympathy for the Opposition in this matter,

because almost everyone in South Australia, including, I think, an overwhelming majority of members of the Opposition, supports the proposition. In the main, they are responsible people, and they would do the identical thing if they were in Government. They would not allow a corporation such as this, run by Mr. Bond, to control the natural resources in this State. However, as they are in Opposition, they have to be seen to be opposing. They have to point the finger wherever they can and call us socialists and things of that nature. That is their role. We are, to some extent, in a theatre, and I do not in any way condemn them for playing that role. I do have some sympathy for them, and I appreciate that their hearts are not in it, with the exception of one or two of the more reactionary members. As an Opposition, they have a very difficult job, and I am sure that at the end of the debate they will be seen to be responsible.

I refer briefly to how the situation affects ordinary people. I do not pretend to know the ins and outs of high finance. What Mr. Bond is doing, how he acquires his shares and how he pays for them escapes me. However, the effect on the ordinary people in this State, if he is allowed to get away with this, does not escape me.

Turning now to the cities in the iron triangle, Port Augusta has a high level of unemployment and is dependent almost entirely on the railways and on ETSA. The Redcliff project is very much in the minds of people in the area who are looking forward to it as a means of solving some of the unemployment problems.

The people of Port Pirie for many years have been in a city with no expansion; opportunities are not being created, and there are few jobs for the young people. Anyone who knows anything about Port Pirie will agree that the position there is not good. The position of the workers at the smelters is in no danger, but if the Redcliff project were to go ahead it would provide a tremendous boost to Port Pirie.

The Federal Government closed down the Whyalla shipyard, a tragedy for the city and for the people who live in it. Almost 2 000 people in Whyalla are unemployed, more than three-quarters of them living in Housing Trust homes. I understand that a third of the tenants in Housing Trust homes in Whyalla are on reduced rentals. They constitute an enormous number of people who are relying on this Government to bring some industry and some employment to the area to get them out of their difficulties. The Government has a huge investment in Whyalla, but Housing Trust homes in the city are empty and are returning nothing to the Government.

Unemployment in Whyalla has reached almost 20 per cent, equivalent to some of the worst years of the depression. When people talk of allowing someone like Mr. Bond to threaten what expansion can take place in the area, I say that those people are acting quite irresponsibly if they do not stop Mr. Bond from doing what he wants to do. For the ordinary people, the price of gas, the price of electricity, and the chance of a job are the things that count; they are not concerned with some fairyland ideal of free enterprise. They look to the Government to protect them in a period of misfortune and to hold out some prospect of a proper future. Nowhere in that scenario do I see a place for Mr. Bond, with his reputation.

The only bright spot on the horizon at the moment for the people in the area is the Redcliff petro-chemical plant, and the fact that that plant is under threat by Mr. Bond is the principal reason, but not by a long way the only reason, why I strongly support the Bill. As the Minister said in his second reading explanation, a large sum of money will have to be borrowed to get the Redcliff project going; I believe it is in the order of $180 000 000. The respect in which Santos is held in financial circles throughout the world will have a great influence on whether that money can be raised and at what rate of interest. Knowing the reputation of Mr. Bond and his companies, I think that this borrowing would be much more difficult and much more expensive than it would be if the present board of directors retained control of the company.

The price that the Dow Chemical Company must pay for the feedstock will make the difference in whether or not the Redcliff project goes ahead. If, because of the way Mr. Bond operates his company, the price of the feedstock rises, that could be the end of the Redcliff project. I am not prepared to let that happen, and neither is the Government, because the people whom I represent and whom the Government represents are desperately in need of that project.

One of the members opposite said that Mr. Bond had shaken up the South Australian company scene to some extent and that he was a get-up-and-go person. That should be re-phrased to say that he was a get-up-and-take person, who wants to take the wealth of this State leaving nothing behind for the benefit of this State. I do not believe that would worry Mr. Bond one iota.

Anyone who is stupid enough to speculate on what is virtually a public utility deserves to get his fingers burnt and I have no sympathy for Mr. Bond whatsoever. I know of no country in the world which allows a public utility to be treated as an ordinary company. People invest in public utilities, not for speculative gain, but to have something behind them which they know will not collapse, but which will return a steady dividend and give them some security. One does not speculate in a public utility: if one does, then that person is incredibly stupid, and, as has been pointed out, Mr. Bond obviously is. He deserves all he gets.

I do not know much about high finance, but I know, through playing monopoly as a child, that if you win a public utility you receive a steady dividend without wiping anybody out. I suggest Mr. Bond goes back to his childhood and plays a game of monopoly in which he might do a lot better.

It is an interesting exercise to see the way in which Mr. Bond has gone on. My union had some dealings with Mr. Bond over a project he had in Western Australia some years ago, and I can say that he was an absolute thorough nuisance and cost the union an enormous amount through court action. Eventually Mr. Bond had to come to the party, but, as I say, he was an absolute thorough nuisance. He had to register his boat, which was supposedly going to win the America's Cup for Australia, in Fremantle, but he flatly refused. He said that he associated Fremantle with waterside workers, seamen, and communists and that he was not going to register his nice yacht in such a disreputable place. That sentiment gives an insight into the type of person he is and really endeared him to the people of Fremantle! It is incredible to think that people still make these kinds of statements in this day and age; I did not think there were many of these people left.

Mr. Bond's exercise has shown us the unacceptable face of capitalism: the quick quid. He is making millions and millions of dollars without any exertion whatsoever.

The Hon. D. H. Laidlaw: Don't generalise.

The Hon. F. T. BLEVINS: I said that it was the unacceptable face of capitalism; yours is acceptable today. Nobody can say that Mr. Bond has created any wealth or has done anything to improve the lot of people in this State or in any other State. All he has done is speculate and make money. The money he has made has been from the backs of workers throughout Australia and, in turn, he has created nothing. I was appalled to see, in the second

reading explanation, that Mr. Bond receives $50 000 in consultancy fees.

The Hon. J. E. Dunford: He wanted $100 000.

The Hon. F. T. BLEVINS: As the honourable member reminds me, Mr. Bond had the audacity to ask for $100 000 in consultancy fees. This is one of the most appalling things that have come to my notice: that a person like this, who wants to control and make a fortune out of Santos, can rip them off for this amount of money. What advice was he going to tender to Santos? What consultancy services would he provide? None whatsoever, and everybody here knows that.

Mr. Bond was getting the incredible consultancy fee of $50 000 a month plus expenses. That is certainly the unacceptable face of capitalism, and I am pleased to be able to expose it to the people. This reinforces my religion and politics, which most people say are exactly the same, anyway.

Like most South Australians, members of this Council, and people in the business community, I have much pleasure in supporting the Bill. I conclude in the same way in which the Minister concluded. I do not think anyone could wind up a speech on this issue better than did the Minister, who, in his second reading explanation, said:

> Our decision is based firmly on the requirement to secure stable future development of our energy resources, to maximise the likelihood that the Redcliff petro-chemical project comes to fruition, and to prevent gas prices rising in such a manner that both existing industrial activity and future industrial development are put at risk.

Most responsible people will agree that what the Minister has outlined should be done. However, I warn members opposite because, although what they say in this place is privileged, I have it on good authority that, if they see fit to say outside this Chamber that the Minister is a socialist, the Socialist Party will sue them. I support the Bill.

The Hon. J. A. CARNIE: When preparing to speak in this debate, I found it difficult to find words to express the revulsion that I felt concerning it. This Government has been in office for 12 years of the past 14 years, and in that time it has introduced some shocking legislation. However, this is the most despicable piece of legislation that has ever come before this Parliament.

This Bill is not aimed at promoting an A.L.P. principle or protecting South Australia's resources from outside interests, although they were the reasons for the Bill advanced by members opposite and by the Minister in his second reading explanation. If one analyses the Minister's second reading explanation, one sees that it was a personal and vicious attack on one man. What is worse, what was said in the second reading explanation was said under Parliamentary privilege.

It is interesting to note that the Minister has consistently refused to appear on television and to say outside the same things that he has said inside this place. He knows that what he has said has been slanderous and that he could have been sued for it. Indeed, he said that Mr. Bond had threatened to sue him. Had the Minister said outside what he said during his second reading explanation inside Parliament, he would have risked being sued. It was a cowardly use of Parliamentary privilege, which has never been given lightly and which was intended to be used responsibly.

I have no brief for Mr. Bond. Indeed, I have met him only once, in company with other people. As a keen ocean yachtsman, I have followed his yachting career, including his participation in the Sydney to Hobart yacht races and the Americas Cup, to which the Hon. Mr. Blevins alluded. However, I do know from what I have read about him that Mr. Bond is a successful business man. It seems to be the thing in Australia to knock success. The Hon. Mr. Dunford said this morning that anyone who becomes a millionaire must be a crook.

The Hon. J. E. Dunford: Yes, and I'll say it outside, too.

The Hon. J. A. CARNIE: I am not so critical in this respect. To me, a man is not a crook until he has been proven to be one, and no-one has yet proven that Mr. Bond is a crook. In another place, the member for Coles described this as a "get-Bond" Bill. There is no doubt that it is. I do not think Government members would deny this or that the Bill is designed to prevent Mr. Bond doing certain things. In other words, quite openly, it is a "get-Bond" Bill.

Although I did not time it, I think the Minister's second reading explanation lasted for about 30 or 45 minutes. Really, however, his arguments could have been put in five or 10 minutes, because their main basis was the financial stability and managerial expertise of the Bond Corporation.

The remainder was an unwarranted and unproven attack on an individual. The Governor's Opening Speech showed how this part of the session was to be conducted. I was appalled to hear His Excellency, when opening Parliament, say:

> 3. My Government has advised me to call you together today, earlier than had previously been expected, because of its concern over the Cooper Basin natural gas deposits. The fact that control of Santos Limited has fallen substantially into the hands of a single entrepreneur from another State is, in my Government's opinion, cause for considerable anxiety. My Government believes that it would be failing in its public duty if it allowed the Cooper Basin natural gas deposits, which are so vital to the future of this State, to become a pawn in a situation in which the interests of all South Australians could be subordinated to narrow commercial consideration.

That was not quite as blunt as the Minister's statement, but again it was an attack on an individual made by the Governor of this State when opening Parliament. Last year or early this year, as the Minister has said, we had two precedents, namely, the Statutes Amendment (Executor Companies) Bill and the South Australian Gas Company's Act Amendment Bill. I supported the former Bill, mainly because the Executor Trustee Company operated under an Act of Parliament and trust funds were involved.

My vote was also recorded as being in support of the South Australian Gas Company's Act Amendment Bill, although, as my colleagues on this side know, it took much persuasion before I agreed to do that, because the Government was entering into the private sector of the Stock Exchange. My colleague on my left was the only one to support me on that. I supported the Bill because the South Australian Gas Company operated under an Act of Parliament and the Government fixed the price of gas and the dividends of the company. Those matters put that company in a slightly different category. I believe the shares in the company should not be treated as shares or called shares in the company, and I understand that the Stock Exchange is considering changing the name of shares of that kind to preferred special stock, or something like that.

I am sure my colleagues will bear me out when I say that I made clear that that was the last time that I would support the Government in interfering with what I considered to be the true private sector in this State. I oppose this Bill as strongly as I can, because the Government proposes to interfere with a public company in South Australia, the shares of which have been traded freely on the Stock Exchange for many years. The position

also is a little different because Santos Limited and companies of that kind are in a most difficult position in the private sector, involving the investment of risk capital in energy resources. Such investment should be encouraged, not discouraged.

However, the Government's present move will not encourage anyone to invest risk capital to search for oil or gas in South Australia. Millions of dollars are involved in such investment, and many years elapse between the time of the initial search, finding oil or gas, proving the field, and developing it until the product gets to the community and a dividend can be paid. Directors and shareholders of Santos know that more than 20 years passed before a dividend was received. If a company invests in exploration, finds oil or gas, and gets to the stage where a return is received, the Government will be likely to step in and control it, as it is doing in this case.

The Government is making a big point about saying that it is not nationalising Santos. I would respect the Deputy Premier more if he came out and said that he wanted to nationalise; at least, that would be honest. In this way, the Government is gaining control without having to pay for it, as accomplished under clause 7 of the Bill, and also by the old rule of divide and conquer, whereby if everyone is reduced to a small shareholding, there can be manipulation by outside sources.

The question of the speed with which the Bill has been brought before us and with which it is being dealt raises a doubt in my mind. I believe that, obviously, this is being done to circumvent the shareholders' meeting called for 8 June next. The Government calls itself democratic, so why is it so frightened of allowing shareholders to have their say? Why does it want to rush the legislation through before the shareholders can have their say? Press reports on this matter since it was aired some weeks ago have given many reasons why the Government has acted in this way. One reason that the Premier and members opposite have used is that Mr. Bond and the Bond Corporation are not South Australian. For years, members opposite have bleated about multi-national companies, and the Hon. Mr. Foster did so today. It is interesting to go back and note that, in 1965, when Santos sold 37½ per cent of its interest to the Burmah company, which is a multi-national corporation, an Australian Labor Party Government was in power at the time, but nothing was said or done about it.

The board of Santos did not show good judgment in selling to Burmah, who subsequently went into liquidation, after which the shares came on to the market again. They were bought by Bond not in the first instance but after Burmah had offered them to one or two companies, following which they were bought by an Australian company. The Bond Corporation is wholly owned in Australia.

The Hon. J. E. Dunford: He's not, though.

The Hon. J. A. CARNIE: He would be as Australian as is the Hon. Mr. Blevins.

The Hon. J. E. Dunford: Where is he getting the $6 000 000 at the end of the month?

The Hon. M. B. Cameron: The same place as you have, as a Government.

The PRESIDENT: Order!

The Hon. J. A. CARNIE: The point I am making is that an Australian company has bought out the shares of a multi-national company. Now, the Government is saying that that is not good for us, because Mr. Bond is not a South Australian: how parochial can it get! It was said on 31 August, when the announcement was made that Mr. Bond had bought the Burmah share of Santos, that he described the purchase as buying back the farm. At that time, Mr. Bonython said:

> There is something in the point that Mr. Bond is buying back the farm.

He also said that it was no business of his company's board when its shareholders changed. The board of Santos is very much making this its business now.

I also draw members' attention to something else which the Chairman of Santos (Mr. Bonython) said earlier this year as reported in the press, as follows:

> There is much to be said in favour of having more Australian shareholding in Santos, and it is clear that the Bond Corporation and its personnel have additional expertise which can well be of value to Santos.

The Hon. J. E. Dunford: He's changed his mind.

The Hon. J. A. CARNIE: Yes. Now Mr. Bonython and his directors are supporting the Government in this move. I suspect that they may have initiated this move, and that could tie in with what the Premier said at lunch yesterday. It is not very often that companies rush to the Government.

The Hon. M. B. Cameron: He thanked Mr. Bonython yesterday for his help with the Santos issue.

The Hon. J. A. CARNIE: True. The record of Santos over the years has not been good, and we are talking about management.

Obviously the prices arranged under contracts made when the gas first came on stream to the Electricity Trust were not realistic, because it was not long before Santos was in serious trouble. Being almost bankrupt, it had to go to the Government and the major users of the gas—the Electricity Trust, Sagasco and Adelaide-Brighton Cement Company.

The Hon. M. B. Cameron: Who was the Chairman then?

The Hon. J. A. CARNIE: The same gentleman who has been Chairman right through. Because the price was not realistic, they were forced to renegotiate. The main users of the gas agreed to tear up the contract and pay a higher price. This has happened every year since. Now, Santos is certainly in a very liquid situation and has funds for exploration and shareholders' funds in reserve, as pointed out by the Minister in his second reading explanation. This ties in a little with the Premier's statement yesterday at a luncheon that the boards of a number of companies were not using their assets efficiently and that new blood, fresh ideas, and modern management expertise should be injected into some boards. It can fairly be said that, if the Bond Corporation is represented on the Santos board, the Bond Corporation represents new blood and new ideas. Whether those new ideas are acceptable to the previous board of Santos is not material: the point is that the Bond Corporation represents new blood.

It has been said, I think by the Hon. Miss Levy, that this coup was accomplished without anyone's knowledge. I cannot accept that. Burmah had been in trouble since 1974; it started pruning its overseas interests as long ago as that. It previously sold its north-west shelf interest. The users of the gas, the Government, and the Santos board itself must have known that Burmah was going to sell its interest, because it was busy selling all its other interests.

The Hon. J. E. Dunford: It was supposed to tell the Government and Santos.

The Hon. J. A. CARNIE: I am not excusing it. Burmah had an agreement to inform the Government; I agree entirely with the honourable member.

The PRESIDENT: Order! I do not want interjections to any great degree. We have got along very nicely today, and I hope the Hon. Mr. Carnie will address the Chair instead of the Hon. Mr. Dunford.

The Hon. J. A. CARNIE: In an article in the *Advertiser* of 31 August 1978, the Finance Editor of that paper stated:

> The Burmah sale comes as no real surprise. It had been rumoured for some time, and follows the sale of its other major Australian exploration and development interests a year ago. Burmah then sold its North-West Shelf and Cooper Basin interest to B.H.P. and Shell.

Anyone who says he was surprised by this and that the Bond Corporation caught him unawares either is being not fully truthful or has no right to be running a Government or a business. Most of the Minister's second reading explanation was an attack on the financial ability and managerial experience of the Bond Corporation. It is no secret that the Bond Corporation was in serious trouble four or five years ago, as were other firms that were involved in property development. Most of them got into trouble because of the then Federal Labor Government's policies. The Bond Corporation took stock of itself at that time, examined its problems, solved what problems it could solve, and eventually traded itself out of its difficulties.

The Hon. J. E. Dunford: It got help from the Whitlam Government.

The Hon. J. A. CARNIE: It might have got help from various places. By sound management it was able to trade out of its difficulties, and it is now in a sound position. Actually, it might have been a little wiser if Finance Corporation of Australia had done that four years ago; if it had, it might not be in the trouble it is in today.

The best indicator of the soundness of a company is the open, free market. From the time that the Bond Corporation took up the 37½ per cent interest in Santos, Bond Corporation shares and Santos shares rose steadily until the Government made this announcement a few weeks ago, when both dropped rather sharply. From November last year until a month or six weeks ago, Bond Corporation shares and Santos shares rose. Obviously, the market had faith in the Bond Corporation's ability to play an important part in the Cooper Basin.

Another point made by the Minister in his second reading explanation concerned managerial experience. The Hon. Mr. Foster talked about that, pointing out that the Bond Corporation is a financial organisation with no experience in managing hydrocarbon fuels and so on. I accept that. What has been glossed over in this debate is the fact that Endeavour Resources is also a major shareholder in Santos. The Minister, in his second reading explanation, stated:

> . . . the 37½ per cent Burmah shareholding in Santos and the controlling interests of Burmah Exploration in Reef and Basin—two other small Cooper Basin companies— are under the personal control of Mr. Bond.

This is totally untrue; they are not under the personal control of Mr. Bond. Endeavour Resources is a well respected exploration company, operating in the area of exploration all over the world. Mr. Bond does not control Endeavour Resources; he owns 24 per cent of the shares of that company and has two members on a board of 10.

To say that Mr. Bond has the whole 37½ per cent interest under his personal control is quite wrong because Endeavour Resources, in its own right, has 11½ per cent of the shares in Santos. The Bond Corporation has about 24 per cent of the Santos shares. I would like the Minister when he is replying (unfortunately, he is not in the Chamber at the moment, so I might have to raise this matter in the Committee stage) to say whether he intends to group Endeavour Resources with Bond Corporation under the definition of "group", because Mr. Bond does not control Endeavour Resources.

I accept, along with all other members, that the Cooper Basin gas field is vital to South Australia and I also accept that there must be a very large measure of control of Cooper Basin deposits. I cannot accept that Mr. Bond could come into Santos and immediately raise the price of gas (this matter was dealt with by the Hon. Mr. Blevins previously). No-one has told me how Mr. Bond would do that. Everyone knows perfectly well how gas prices from the Cooper Basin are fixed—negotiation with the users (ETSA, Sagasco and Adelaide-Brighton Cement, plus minor users). If agreement cannot be reached, an independent arbitrator must be appointed. If anyone can tell me how Mr. Bond could enter Santos and immediately raise the price of gas, I would like to hear the explanation. No-one has done that and, in fact, it would be quite impossible for him to do so. Scare tactics have been used; it has been said that this man will come in and double the price of gas, which means that the price of electricity will increase by X per cent. That is totally untrue.

The Hon. F. T. Blevins: It is a possibility.

The Hon. J. A. CARNIE: I have just pointed out how the price of gas in negotiated. When Santos was in trouble some years ago, it approached the users and negotiated the new price; it did not go to an arbitrator but it could have. At that time, an agreement was reached. I believe that this has happened on three or four occasions since Santos was helped out of trouble. This shows that the price of gas at that time was unrealistically low.

The Hon. F. T. Blevins interjecting:

The Hon. J. A. CARNIE: You are saying that Mr. Bond will come in and raise the price, but it has to be fixed by negotiation. If ETSA, for instance, will not pay the price that is demanded, the matter then goes to an independent arbitrator. He cannot come and double the price of gas, as has been suggested.

The price of gas would affect about 14 per cent of whatever is the increase in the price of electricity. Fuel at E.T.S.A. constitutes about 20 per cent of its total costs, and gas constitutes about 70 per cent of the total fuel. If gas prices increase by 10 per cent, the price of electricity would increase by about 1·4 per cent. Those figures have not been raised previously, and the impression has been given by the Government that the price of electricity would skyrocket out of all proportion, but that is not true. I accept that there has to be control over the gas from the Cooper Basin, but controls already apply under existing legislation.

I refer to the address by Mr. Zehnder, Managing Director, Santos, who listed, as follows, seven different areas of control by the State Government over natural gas from the Cooper Basin:

> First: The Government exercises influence and control of the leasing authority—that is, the Minister of Mines and Energy, through the Department of Mines and Energy.
>
> Second: The Government sets, from time to time, the minimum amount to be expended on exploration and exercises the right to approve or disapprove all exploration and development programmes.
>
> Third: The Government through the South Australian Oil and Gas Corporation has an interest as a producer in the exploration and production licences.
>
> Fourth: The Government can approve or disapprove assignment of interest from one company to another.

Interestingly, it has that power but it did not exercise it in November; it saw nothing wrong with Mr. Bond buying Burmah's interest. The address continues:

> In fact, this control was exercised when it became known that the State and State only would be approved as the purchaser of the Commonwealth's interest in the Cooper Basin. Such action could seriously inhibit any company's ability to dispose of its interests or even get a fair offer for its interests, as any prospective purchaser could hardly be expected to put in a realistic offer knowing that the State has

pre-emptive rights.

Fifth: The Government through its ownership of the Pipelines Authority of South Australia is the sole purchaser and transporter of all the natural gas used in South Australia. Some 70 per cent of this gas is utilised by the Electricity Trust of South Australia—a Government authority.

Sixth: The Government is thus in a position to effectively influence, if not determine, the price paid for all natural gas used in South Australia. Indeed, the Government policy on State-funded exploration was specifically used to influence the price of gas today.

Seventh: The Government has obliged the producers to allow the Government to undertake an independent exploration programme (through P.A.S.A. and with funds supplied from general revenue) in lease areas on which the lessees ostensibly hold specific and exclusive petroleum rights.

Those powers already exist, so if the Government is so worried about Mr. Bond why does it not use the existing legislation? Why introduce legislation that will force an individual, or a company, to divest itself of shares that were legally bought? I stress that: Mr. Bond's shares were bought legally from the Burmah Oil Company. As I stated earlier, Burmah acted wrongly in that it had an agreement with the Government and Santos that it would advise them. However, that Burmah acted wrongly does not mean that Mr. Bond acted wrongly. He certainly did not at the time of buying those shares. This is probably the greatest individual argument I have against this Bill: its retrospectivity in forcing a man to divest himself of a large amount of shares that he bought legally only eight or nine months earlier.

From my rough calculations I believe that he would have to divest himself of between 10 000 000 and 11 000 000 shares. The Council should consider the effect of that sale on the market price of Santos shares. It has been claimed that institutional buyers will take up the holdings, but there are grave doubts about this. It has been said that if this Bill is passed it will cause institutional investors to get out of Santos altogether. To whom is the Bond Corporation to sell its 10 000 000 shares? It represents about 18 months to two years normal trading in Santos shares.

I am a firm believer in free trade on the Stock Exchange, and I am opposed to any interference. The Hon. Mr. Laidlaw listed other companies which have voting restrictions or restrictions on shares, but to me that does not make things right. Amendments have been foreshadowed by other members on this side. I am not happy with the Bill, even with those amendments, because to me they still constitute a restriction on free trade on the Stock Exchange. It is obvious that this Bill is going to pass the second reading stage, but that will still not stop me from voting against it. I strongly oppose the Bill.

The Hon. C. W. CREEDON: I support this Bill, which attempts to ensure that South Australia's energy resources remain under the control of South Australian people, who want to see that energy used for the benefit of South Australia and not solely for the gathering of private gain. Corporations of the Bond type do very little in favour of, and a great deal of damage to, companies, and to countries, for that matter, that they seek financially to ravage. Their only interest is financial gain and control. Members of the Liberal Party constantly tell us that we are socialists seeking to bring all things under State control. I remind them that socialism, to the Labor Party, means sharing for the benefit of the community, and that there are some individuals who are not at all concerned that their actions deprive the State and its people.

Such individuals are not at all concerned that, in order for them to make greater profits, the prices are forced up. Of course, in this particular case, when we are dealing with the State's energy supply, any action that would add to the inflationary trend or the denial of energy supplies to the State at a reasonable cost would be an action that no Government could tolerate. I fail to see how the Opposition can tolerate it. I have constantly heard Mr. Tonkin complaining that this State's cost structure is rising, that it is now on a par with other States and that South Australia is no longer attractive as a manufacturing or investment State. Yet, in his speech in opposition to this Bill in the other place, he went to great lengths to prove that South Australia produced cheaper electricity power than did the other States, and in the same breath he said that it would not matter if gas prices were increased, because our electricity prices would still be competitive. That is really not the point.

Liberal Party credibility is at stake in this matter. The pockets of the energy users will suffer, and the energy users are every South Australian. Further unjustified increases in the cost of energy could have a detrimental effect on the negotiations that are in progress for the Redcliff project, to which the Hon. Mr. Blevins referred.

Mr. Bond has no conscience. His only desire is to own, and all South Australians will be appalled by his recent action and the advice of his lawyers to have the Federal Government take action that would deprive South Australia of its rights—rights given it by the then Premier of South Australia, Sir Thomas Playford. In amendments to the Mining (Petroleum) Act in 1958, he gave favoured treatment to Santos and wide powers to the then Minister of Mines.

When the Bill was queried by members of both Houses, it was explained to them that they were making these changes to the Act at the request of Santos. Santos had persuaded the Government of 1958 that the Act was too restrictive and that it was impeding progress in the search for oil.

The then Government wanted an oil find and was happy to oblige Santos. The Act altered the licence, leasing and mining arrangements, gave the Minister wide discretionary power, and encouraged Santos to seek partners in order to get on with the exploration. Although 20 years ago the company and the government were looking for oil and did not find it, they did find gas fields, and hopefully a lot more is to be found.

Sir Thomas Playford, who believed in the State controlling its own energy supplies, did nothing to relieve the Gas Company of the controls imposed on it in 1874, and he created the Electricity Trust of South Australia by taking over the private supplier of electric power. Could anyone imagine him letting private financial speculators take over the State's gas fields! That is not likely, and we will not allow it to happen today.

Mr. Bond's interest covered land speculation, and that has been a fairly risky business of late. We have all noted what happened to Cambridge Credits a few years ago. Associated Securities suffered a similar fate earlier this year, and now we have the respectable Bank of Adelaide and its giant child struggling to keep out of the hands of the receivers. These companies and Mr. Bond's company had large land dealings. It is not very good business placing the State's assets in the hands of directors irresponsible enough to place most of their eggs in one basket.

The Hon. Mr. Carnie said that Santos had been a troubled company over the years, but that would apply to most companies. I refer to the speech made last week in

another place by the Deputy Leader of the Opposition (Mr. Goldsworthy), as follows:

> John Bonython has done a great job for South Australia. The persons concerned got the idea of finding oil in the first instance. They did not have much money, but they formed a company. They had a hard time. They were encouraged by the then Premier, a man named Playford, and by the then Minister of Mines, a man named McEwin. With not much financial encouragement, but by persistence, they eventually found gas. Now that field has come into production, and, as it seems that the liquids scheme is likely to come to something soon, the company has attracted other capital.

However, it would seem to be undesirable capital from our State's point of view. I support the Bill.

The Hon. J. C. BURDETT: I support the second reading. We have heard a great deal of vituperation against Mr. Bond. I do not intend to go into the question of Mr. Bond, on the one hand, or the Deputy Premier, on the other: it may be that Mr. Bond and Mr. Hudson are as good or as bad as each other. I must acknowledge that the circumstances which led the Government to introduce this Bill at a rather extraordinary time and in a rather extraordinary manner are relevant, but I propose to devote most of my short speech to the principles involved in the Bill.

The Bill does, of course, involve a severe restriction on shareholdings by any particular shareholder or group of associated shareholders determined from the arbitrary way set out in the Bill. In the circumstances which exist, this will involve a substantial divesting. It has been said that this Bill is completely contrary to the principles of private enterprise. The broad principle of the Bill is some regulation of the method by which this important public utility is to be controlled. The detailed method by which the Government proposes to do it is another matter. Merely to say that the Bill is in broad principle completely contrary to the principles of private enterprise is, in my opinion, too simplistic a statement.

We have to examine what we mean by private enterprise. I do not agree with complete *laissez faire*. I think it was Sam Weller who described it as "each man for himself and God for us all, as the elephant said when he danced among the chickens".

If the situation is that Mr. Bond intends to take control of this important public utility, this natural resource which is practically all we have in South Australia, and if he intends to strip Santos, some control should be exercised. As the Hon. Mr. Hill has said, this has been done previously in South Australia for the protection of a natural resource. It has been done in other States—for example, in Victoria, by quite Draconian legislation.

But there are two important considerations. The first is that we must determine whether it is established that Mr. Bond is likely to take control of Santos and to strip its assets. The Deputy Premier says that that is the case. Mr. Bond denies emphatically that he has any intention of stripping, and he denies any intention of control. He says (and he has supported this by some evidence) that he contemplated the transfer of at least a substantial proportion of his shares in excess of 15 per cent to a blind trust, on the terms that the trustees should exercise their votes without any influence from Mr. Bond. The second is that the legislation must not go any further than is necessary to prevent one-man control or massive interest control and stripping of funds.

Turning to some of the provisions of the Bill, I shall point to the areas in which the Government goes much further than is necessary to solve what appears to be some problem. This Government is almost always too heavy-handed in its legislation. It almost always goes further than is necessary to solve any problem which arises and, in the process, almost always gets for itself some additional measure of power or control. Two examples which come to mind are the Land Commission Act and the Urban Land (Price Control) Act.

Turning to some provisions of the Bill, clause 3 (1) *(c)* enables the Minister, quite arbitrarily, to determine that any one or more shareholders shall be constituted a group for the purposes of the controls contained in the Bill. It is true, as the Deputy Premier said in another place, that an aggrieved shareholder could seek assistance from the courts, but he would have to establish that there was no basis for the Minister's opinion. The court will not simply substitute its own opinion for that of the Minister. This arbitrary power is unnecessary, and ought to be circumscribed, and I will support amendments to provide a reasonable procedure for the declaration by the Minister of two or more shareholders as a group with a full appeal procedure to the court.

In the circumstances which exist, clause 4 would involve the stripping of the Bond Corporation and A.G.L. of (particularly with the Bond Corporation) a very substantial part of their lawfully and properly acquired shareholding. I would prefer a limit of 37½ per cent of shareholding, to limit the Bond Corporation to what it now has, with a restriction of voting rights to 15 per cent. Clause 6 (2) states:

> Where the Minister determines that two or more shareholders constitute a group of associated shareholders, and gives notice of that determination to the company, those shareholders shall, unless the determination has been revoked, be conclusively presumed at any subsequent general meeting of the company to be a group of associated shareholders.

There are no criteria. There is no question, as such, even of the Minister's opinion; he simply determines. There should be a full appeal, spelt out in the Bill, in this case also.

Clause 7 is a disgrace. It would be a blot on the face of the Statute Book in these circumstances, and I think the Minister is embarrassed by it. He may, under the clause, annul a resolution of a general meeting of the company where, in his opinion, the resolution was contrary to the public interest. I shall oppose clause 7 in Committee.

Another disgraceful aspect of the Bill is that it does not bind the Crown. I am no more enamoured of the concept of the Minister's being in control of Santos than I am of Mr. Bond's being in control. If the Minister wants to impose severe restrictions on other shareholders, he must accept them himself. In all justice, the Bill must bind the Crown. If he is serious that he does not want to nationalise this enterprise or control it, why will he not allow the Crown to be bound?

Although I have some reservations about the Bill, I support it in principle. I believe there should be some control. Therefore, I will support it at the second reading, but I will give serious consideration to amendments which I understand will be moved. I support the second reading.

The Hon. C. J. SUMNER (Attorney-General): I thank honourable members for the attention they have given to the Bill introduced by the Government. I am pleased to see that the majority of honourable members opposite have agreed to support the second reading. The critical question in this matter is: how is the public interest or the community of South Australia best served? Who is best able to protect the public, or community, interest in South Australia? Is it through a dominant group of shareholders, a dominant corporation from outside South Australia,

which is in effect controlled by one man—Mr. Bond—or is it through a multiple group of interests, including some South Australian Government interest, and of course the Minister?

Members opposite have criticised the extent of the powers given to the Minister in this piece of legislation. However, when one looks at the community or public interest, the Minister is accountable to South Australians, whereas, Mr. Bond, or some other group which may have a large holding in Santos, is not accountable to South Australians. If the Minister acts in a manner that is not acceptable to South Australians or to this Parliament, or to the Government of the day, clearly action can be taken. On the other hand, if Mr. Bond or some other group acts in a manner which is contrary to the public interest or to the South Australian community, then, unless there is some form of legislation which gives the Government through its Ministers some powers to act on behalf of the community, what recourse does the community have? That is the critical issue in this debate.

I am glad that at least some honourable members opposite seem to have conceded that there is a broader general public interest factor that must be taken into account when looking at this Bill.

Criticism has been made of the haste with which it is said that the Government introduced this Bill, but I would like to refute that. This matter has been the subject of controversy in South Australia for some weeks now, and we have seen headlines almost daily in the South Australian press and, indeed, the national press, debating the pros and cons of the issue. Notice was given some time ago that a special sitting of Parliament would be called to debate this issue, so it is not as if this is something that has just cropped up out of the air in the last 24 hours. This matter has been with us for several weeks. In the House of Assembly a second reading explanation was given last Thursday, and there was a full-scale debate last Friday.

In the Council, the Bill was introduced yesterday, and no attempt was made to rush it through this place yesterday. Members in this place, keen as they are on reviewing legislation, have been aware of the details of the Bill since last Thursday. A full day today has been allotted to debate on the Bill and, indeed, to avoid the problems of late sittings and that sort of thing, I suggested that the Council should sit at 10.30 a.m. today, which it did.

I do not believe that there has been any greater haste in dealing with this Bill than that which has occurred in relation to other legislation. Indeed, this Bill seems to me to be going through the Parliament in the normal course of events, with the second reading explanation being given on one day and the full-scale debate ensuing on the following day. However, honourable members opposite have tried to have two bob each way, something that they are a little keen on doing. Some of them have said that they support the general tenor of the Bill.

The Hon. J. A. Carnie: With some exceptions.

The Hon. C. J. SUMNER: I concede that; the Hon. Mr. Cameron and the Hon. Mr. Carnie were exceptions, and did not indicate any support for the Bill. However, one never knows whether they are in or out of the Liberal Party or, indeed, if they are out, of which side of the Liberal Party they are out. At one stage, they were being castigated by their colleagues opposite as terrible left-wingers who associated with their former colleague, Mr. Millhouse, who now rests in another place.

The Hon. J. A. Carnie: You're straying from the Bill already.

The Hon. C. J. SUMNER: I am saying that, with some exceptions, honourable members opposite supported the general tenor of the Bill but still could not resist the temptation to try to have a shot at the Government's so-called socialist aims.

It was interesting to note that the Hon. Mr. Laidlaw in his speech completely put paid to that sort of claim when he gave a long and comprehensive list of the sorts of Government controls and interventions that have occurred in Australia in companies concerned with the provision of energy.

Although I do not think any honourable members opposite were around in the 1940's, it is probably worth my while reminding them that Sir Thomas Playford nationalised the supply of electricity.

The Hon. M. B. Cameron: Is that what you are doing?

The Hon. C. M. Hill: After a Royal Commission.

The Hon. F. T. Blevins: But he did it responsibly.

The Hon. C. J. SUMNER: I am coming to that. There is no suggestion that the Government should take over Santos. Indeed, the Bill provides that, if the group holding more than the 15 per cent set down therein does not divest itself of its additional excess shares within a certain period, they are forfeited to the Government and it will sell them to other private interests. To say that that is in any way a socialist enterprise seems to me to be missing the point.

The whole thrust of this Bill is to ensure that there is a diversity of private shareholding in the Santos group that one hopes will include interests with experience in the field such as that possessed by Burmah Oil. In its contribution to Santos, Burmah Oil had expertise in the area of oil exploration, natural gas, and so on.

On the other hand, Mr. Bond and the Bond Corporation have no expertise or experience in that field. Therefore, the accusation about some socialist take-over is completely incorrect. The emphasis is on ensuring that no one group that may not have the South Australian community interest at heart should be able to take over control of Santos, given, of course, that that company is the sole provider of natural gas to South Australia, with all the implications of that, as members have pointed out in the debate.

Members opposite have been concerned about some provisions in the Bill. They have referred to clause 7, whereby the Minister may annul a resolution of the company that has been passed as a result of the admission of votes that should not have been admitted, in accordance with the legislation. That clause is not unique in Australian Acts: this is not the first time that legislation of that kind has gone on the Statute Books in this country. Indeed, in Queensland in 1975 fairly strong powers were given to the Government in legislation. Perhaps members may be interested in hearing a quote from a report about that.

The Hon. J. C. Burdett: Are you a supporter of Mr. Bjelke-Petersen?

The Hon. C. J. SUMNER: No, but sometimes he is heralded as the white knight of free enterprise in Australia, and it is interesting to note that he felt that Queensland companies were being subjected to possible take-overs by interstate companies. Paragraph 13.305, headed "Takeovers in 1979, C.C.H. Australia Limited" (the Australian Corporate Affairs Reporter) states:

> Voting rights in public companies in Queensland are regulated by the Voting Rights (Public Companies) Regulation Act, 1975, which commenced operation on 1 March 1976. The Act is a re-enactment of the provisions of Part III of the Companies Act Amendment Act, 1972, which operated from 21 December 1972.
>
> For the sake of uniformity with the Acts of the other I.C.A.C. States, Part III of the Companies Act Amendment Act, 1972, which was peculiar to Queensland, was repealed. The law itself was not changed, it was merely re-enacted.
>
> When introducing the Companies Act Amendment Bill,

1972, the Queensland Minister for Justice, Mr. W. E. Knox, said of Part III:

> Following the foiling of an attempt to secure enlarged representation on the board of directors of a Queensland incorporated company by a Sydney-based investment group, representations have been made for legislation to be introduced to prevent recurrences of such incidents. It is considered that plans of this nature are not in the best interests of the shareholders of such companies, nor of Queensland industry generally. The Bill therefore proposes an amendment to the Companies Act in accord with recent legislation introduced by the Commonwealth, and also by Victoria, to protect local industry against foreign-based companies.

I emphasise the last part of that statement. The report continues:

> Section 4 of the Voting Rights (Public Companies) Regulation Act, 1975, provides that where, by reason of a transfer of shares in a public company;
>
> the voting rights attached to those shares are increased;
>
> the Governor in Council is of the opinion that there is an agreement that these rights will be exercised in accordance with the direction of a person other than the present holder of the shares; the Governor in Council may declare that these voting rights shall not exceed the rights that would have attached to the shares in the hands of the transferor.
>
> If voting rights attached to shares held by several shareholders are being exercised in collusive combination, the Governor in Council may declare that the voting rights shall be calculated as if those shares were held by one person.

There, the Governor in Council can interfere directly and declare that voting rights shall be of a certain proportion, pursuant to the Queensland legislation. The report continues:

> If he is of the opinion that there was an agreement between two or more shareholders as to the manner in which votes were cast, the Minister for Justice can issue an interim injunction (lasting up to six months) restraining the directors from:
>
> disposing of the company's assets, and
>
> destroying or concealing company records (sec. 6 and 7).
>
> The Governor in Council may also declare the meeting and all resolutions thereat to be of no effect . . .

This, in effect, is being suggested in our legislation. The provision already exists in Queensland: the Governor in Council, and the Minister in the proposed Bill now before us are, in effect, the same body, namely, the Government. In Queensland, once the Governor in Council declares that the meeting and all the resolutions to be of no effect, the position of the company is restored to that existing immediately before the meeting. There are two examples where, under existing legislation in Queensland, no less, the Government has similar powers to what is being suggested in the Bill with respect to the combination of shareholding groups and the annulment of resolutions that may be passed in contravention of any directions given in relation to the voting rights of groups of shareholders.

Indeed, similar legislation was passed in Victoria where, in response to the proposed take-over by T.N.T. of Ansett Transport Industries, the Victorian Government passed legislation which, among other things, provided that no substantial shareholder within the company could exercise a right to vote without the prior consent of the Minister. In other words, even to exercise the vote, if you were a substantial shareholder in Ansett Transport Industries, you had to obtain the prior consent of the Minister: that seems to me to be a more strict provision than is contained in the Bill.

The Hon. C. M. Hill: I don't agree with that.

The Hon. C. J. SUMNER: The honourable member will get his chance to tell me about that later. It is certainly very strict legislation, because the right to vote by a substantial shareholder cannot be exercised unless permission has been obtained from the Minister. The Hon. Mr. Cameron referred to the fact that shares in Bond Corporation were, before this question became a matter of controversy, being offered at 60 cents, whereas he now states that they are being offered at 50c, and says that this is the result of what the Deputy Premier has said about the Bond Corporation. If the shares of the Bond Corporation are worth only 50c, and the shares of Santos are worth what Mr. Bond said they were worth on television, namely, between $10 and $15, one can clearly imagine why he would like to get hold of some of Santos's shareholdings.

The Hon. J. A. Carnie: The shares were 60c.

The Hon. C. J. SUMNER: Even if they were 60c. If Santos shares are worth between $10 and $15, as he has said, perhaps we can understand why he is trying to get hold of Santos shares.

I do not know whether Santos shares are worth $10 or $15. Mr. Bond made the allegation on television, and he made it in a way that I believe is somewhat unethical. Certainly one can see why, on those figures, he would be trying to buy in to get a greater interest in Santos.

The suggestion has been made that this Bill will impose a penalty on the Bond Corporation. The Government has offered to repurchase the excess shares previously purchased by the Bond Corporation at 10 per cent more than what Mr. Bond paid for them; that is, of course, if he cannot divest himself of the shares at a higher market price. If the suggestion is that the market price is now higher than 10 per cent above what he paid for the shares originally, he would be able to sell his shares at the market price and make a killing on his eight-month investment.

If the suggestion is that the shares are now worth $2·50 and he paid $1·75, if he can divest himself of his excess shares at that market price, he will certainly not lose anything personally, and for his eight-month holding he will make a handsome profit. However, if he cannot do that, the Government has undertaken to buy Mr. Bond out at 10 per cent above the price he originally paid. So, whichever way we look at it, Mr. Bond cannot lose financially under this Bill; indeed, he can gain a small amount or, if he can sell his shares at what he alleges to be the current market price, he will make a substantial profit on his eight-month investment.

The question of retrospective divestment has caused honourable members opposite some concern. I point out that a similar provision was included in the South Australian Gas Company's Act Amendment Act, which this Council passed last year. Also, under section 50 of the Federal Trade Practices Act the court can order that there be a divestment of shares if a merger or take-over has occurred in a way that would have a substantial effect on competition in an industry. This particular clause requiring divestment of shares is not a unique provision in legislation in Australia.

Mention has been made of the appeal that Mr. Bond has apparently made to the Prime Minister to which the Hon. Mr. Laidlaw referred. This was written up yesterday in the *Financial Review*. Apparently, Mr. Bond is suggesting that the Federal Government should take action on one of three grounds to thwart what the South Australian Government and Parliament are considering in this case. The suggestion was that the Federal Government should legislate to oblige Santos to register in the Australian Capital Territory and therefore bring it under Federal Government corporate regulations. The second proposition was that the Federal Government should use the

defence power to acquire control of all oil and gas in South Australia. The third proposal was that the Federal Government should use Federal corporate powers to override the South Australian legislation.

I was pleased to see that the Hon. Mr. Laidlaw completely rejected the appeal that Mr. Bond made to the Prime Minister, and I feel sure that the Prime Minister also will reject it, despite the fact that he has made some critical comments about the South Australian Government regarding this issue. I think the Hon. Mr. Burdett will agree with me that it would be stretching things a little to believe that the defence power could, in some way, justify, at this particular time, the taking over of the oil and gas resources in South Australia. It is often thought that, if one cannot find a head of power at Federal level anywhere else, one looks around and finds the defence power or external affairs power. In this case, I think it is stretching things too far to suggest that any legislation of the Federal Government in this area could be supported by the defence power.

Regarding the two other suggestions made by Mr. Bond, surely if the Prime Minister took action this would run completely counter to the whole notion about which he and the Liberal Party have been telling us since before 1975—the notion of co-operative federalism, whereby the States are left some areas of power.

Mr. Bond is virtually suggesting a Federal take-over of South Australian interests in this area, but I think that the Prime Minister will have some difficulty in agreeing to this. I also believe that, if the Prime Minister consulted his colleagues in Government in Queensland and Western Australia, he would be told very firmly that any intervention of that kind by the Federal Government would be completely contrary to the interests of those States. Indeed, I should have thought intervention would be contrary to the spirit of the National Companies and Securities scheme, which is currently being set up and under which the States will be allowed to exercise some degree of independence in deciding whether a take-over is in the interests of that particular State. That has been asserted legislatively clearly by the Queensland Government and, I believe, also by the Western Australian Government. Certainly, if this suggestion was forthcoming from the Federal Government, the Queensland and Western Australian Governments would resist it most strongly as, according to their understanding of the National Companies and Securities scheme, the States have an area of discretion and independence to legislate with respect to foreign take-overs.

I commend the Bill to the Council and thank honourable members for their contributions. I am pleased that a majority of honourable members will agree to the second reading.

Bill read a second time.

The Hon. M. B. CAMERON: I move:

That this Bill be referred to a Select Committee.

[Sitting suspended from 5.43 to 7.45 p.m.]

The Hon. M. B. CAMERON: This is one of the most important opportunities that the Council has had to show that it is prepared to allow people the opportunity to express their views on what is an extremely important and novel piece of legislation. This Council, as a House of Review, has almost a duty to give people that opportunity. Many people involved in this issue have not yet had the opportunity to have their views heard. It is not proper for these people to issue their views either through press statements or other means. Therefore, it is proper that this Council give people the chance to come forward and give evidence to a Select Committee on their views about this Bill, whether they believe that it is right and whether they believe that there should be changes.

This principle is even more important because of the haste with which the Bill was introduced. I should like to know from the Government, and from people outside if necessary (it might involve Santo directors who are supporting the Government), why this sitting of Parliament has been brought forward a week. Was there collusion between the Government and the Santos directors to avoid a shareholders' meeting? I am not charging anyone with that, but I would like an answer to that question.

I would like to be able to ask not just the Minister tonight whether that was the case: I would like to ask the people concerned about what direction there has been from people outside.

It is proper for this Council to have the opportunity of questioning the people concerned. It is proper for this Council to question Mr. Bond on his financial affairs, if that is necessary, and give him the opportunity of telling us (and not through the press) as members of Parliament in a properly constituted committee just what is his situation.

The Hon. Anne Levy: You can read his telexes.

The Hon. M. B. CAMERON: If that will satisfy the Hon. Miss Levy, I believe that her assumption of what may occur is shallow. We can do better than that. This man should have the opportunity of defending himself properly before a committee of this Council. Indeed, we would be in error and grossly neglecting the duty of this Chamber if we failed to do that.

This man has been seriously maligned by the Minister, as has his organisation. It has already had a serious effect on the fortunes of that company because, as I said earlier, I believe that the Minister made an error. In the community there are Santos shareholders who have not had the opportunity of having their views heard, and they should be given that opportunity of coming to us. More importantly, this would at least hold over the legislation until they had the opportunity to hold a shareholders' meeting.

That is not the principal reason for my motion, but it is another important reason why this Council should allow the Bill to go to a Select Committee so that we can obtain the information and, at the same time, let these people put their views.

I have a suspicion that there will be no shareholders' meeting because of pressure from people, perhaps in the Government. Once this legislation is passed, the Government will have a very heavy axe to hang over the head of those people who are wanting to hold a shareholders' meeting. If this motion is not successful, once the legislation is through (in whatever form it may go through) the Government will bring pressure to bear to avoid a shareholders' meeting. It may well be successful because of the pressure it will have at its disposal. Those matters are very serious indeed, and I do not make them light-heartedly, since that situation could easily arise.

What are the intentions of the Government after this Bill is passed? What was discussed at Ayers House? What was said between the individuals? Who initiated the ideas that night?

The Hon. D. H. L. Banfield: The argument was about who would pay.

The Hon. M. B. CAMERON: That may be so. It is remarkable that, when the Minister is going to give the poor fellow hell next day, he should go out and accept his hospitality for five hours and discuss the proposal in intimate detail. One side says one thing, and the Minister says it is a lie. I want to be able to probe that. The only way this Chamber can do this is through a Select

Committee, so that these people have the opportunity to put their viewpoint. Let us examine all the people at that dinner party and find out just what was said.

The Hon. D. H. L. Banfield: What was on the menu?

The Hon. M. B. CAMERON: Northfield steak, I suppose. What were the proposals and counter proposals? I want to know whether the Government is serious in its intention to proclaim this legislation or whether it is just using this legislation as a big stick to belt the Bond Corporation and anybody else. Are we just sitting through a farce here? Will the Government proclaim the legislation, or just use it to gain what it wants from the Bond Corporation? All those matters are serious.

The most important point is that this is a House of Review and a House that gives people the opportunity of putting their views. We should take every opportunity to do so, because the future of this Chamber is in doubt, according to the declared intention of members opposite. We have lost one argument in favour of retaining the Council if we do not take the opportunity of allowing people to put their views before a Select Committee. I urge every member on both sides, particularly members on this side of the Chamber, to support this motion because it is terribly important, not just as a short-term measure, but perhaps in relation to the future of this place.

The Hon. J. C. BURDETT: I support the Hon. Mr. Cameron's motion, although I do not always support his views. However, I do so with some enthusiasm tonight, perhaps for different reasons from those he gave. This Bill has been rushed into Parliament at a special sitting with Parliament sitting at extraordinary hours. During the dinner adjournment the Government has now placed amendments on file. Even the Government does not yet know where it is going. It is not sure of itself. There is a great divergence between the facts stated by the Minister and those stated by the Bond Corporation.

The Hon. C. M. Hill: These are the first amendments brought forward by the Government in either House.

The Hon. J. C. BURDETT: The Government still does not know where it is going. There is a great divergence of facts.

The Hon. D. H. L. Banfield: We will have a good look at these amendments in this House of Review, won't we?

The Hon. M. B. Cameron: When?

The Hon. D. H. L. Banfield: When we get into Committee.

The Hon. J. C. BURDETT: The time needed for that is the time that should be afforded a Select Committee. I do not think the Government is sure that this Bill will be effective, nor is it sure what its effects will be in the circumstances. I am not sure what the effects of our amendments will be, if they are passed. The whole situation is most complex. Parliament has not had the benefit of the submissions which a number of divergent interests would want to make.

When an Act binds all the subjects of the Crown who happen to come within its ambit, the ordinary processes of Parliament in the respective Chambers are sufficient on most occasions, but where legislation is aimed at a particular group by name, in this case the shareholders of Santos, I think it is almost always proper that there should be a Select Committee. It is one thing where legislation will bind all the subjects of the Crown who happen to come within the ambit of the legislation; where legislation is aimed at a particular group of people, at less than the full subjects of the Crown, it is almost always necessary, as a matter of justice and fairness, to see that there is a Select Committee, so that the rights of people can be ascertained. If this Bill is not indeed a hybrid Bill, it is so close that it does not matter. This motion having been moved, I can do no other than support it, because I believe that it is correct.

The Hon. C. J. SUMNER (Attorney-General): The Government opposes this motion; it does not believe that the Bill should be referred to a Select Committee. The Hon. Mr. Burdett tried to suggest that there was some *quasi* obligation under Standing Orders to refer this matter to a Select Committee, but that is not accepted by the Government. Even if the Bill were introduced in this Chamber, and not in another place, as it was, there would be no obligation on the President to rule that the Bill should go to a Select Committee.

The Hon. C. M. Hill: That would be a decision of the President.

The Hon. C. J. SUMNER: It is indeed. I concede that the honourable member is correct, and that would be the President's decision. My view and the submission I would put to the President is that I believe it is clear from Standing Orders that there would be no obligation, under Joint Standing Orders 1 and 2, to refer the matter to a Select Committee. Standing Order 1 deals with private Bills, which are Bills not introduced by the Government. Standing Order 2 refers not to private Bills but to other Bills, commonly known as hybrid Bills. That Standing Order does not refer to the Bill affecting any private corporation; it refers to a Bill the chief object of which is to promote the interests of one or more municipal corporations or local bodies. The emphasis is on municipal corporations, not only a corporation in the general sense.

The Hon. J. C. Burdett: What about Legislative Council Standing Order 268?

The Hon. C. J. SUMNER: It is in the same terms. The Joint Standing Order refers to one or more municipal corporations or local bodies, not to corporations or local bodies generally. I believe it would be correct to say that "local bodies" does not include corporations.

The Hon. C. M. Hill: Do you think this is a hybrid Bill?

The Hon. C. J. SUMNER: No, I do not.

The Hon. J. C. Burdett: Refer to Standing Order 268.

The PRESIDENT: Order! I do not really think that the debate is on whether this is a hybrid Bill. That is a matter for my opinion. A motion has been moved by the Hon. Mr. Cameron that this Bill be referred to a Select Committee, and I think that is really the question before the House.

The Hon. C. J. SUMNER: I could not agree with you more, Mr. President. I was merely refuting the accusation made by the Hon. Mr. Burdett that this Bill was in some way akin to a hybrid Bill. It is my view that, on the correct interpretation of Standing Orders, it is a not a hybrid Bill, because it does not promote the interests of a municipal corporation or other local body. Honourable members should not feel any obligation to refer this matter to a Select Committee on that basis. The question then arises whether there is some other reason to refer it to a Select Committee. Honourable members will recall that the Bill introduced last year to amend the Act relating to the Executor Trustee and Agency Company was not referred to a Select Committee, either in this place or in another place, specifically after agreement with the Opposition at that time. That legislation did respect the voting rights of any shareholder in that company to 1·67 per cent of the total shares of the company. That Bill was similar in some ways to this Bill. As honourable members will recall, its purpose was to restrict the power of an interstate investor in that company, and it was not referred to a Select Committee.

On the other hand, I readily concede that the South

Australian Gas Company's Act Amendment Bill was referred to a Select Committee. The point I make is that there is no absolute binding or compelling precedent as to why Bills of this kind should be referred to a Select Committee.

The Hon. Mr. Cameron has referred to the haste with which he says this legislation has been introduced. In the second reading debate, I pointed out that it could hardly be called haste. This matter has been before the public for some considerable weeks and has been handled in Parliament in accordance with its usual practices.

The Hon. J. C. Burdett: We started at 10.30 in the morning—fair go!

The Hon. C. J. SUMNER: Honourable members should be pleased that we started to sit at 10.30 in the morning. I did that specifically so that all honourable members would have the chance to express their points of view, with adequate time to consider the legislation. It is certainly an exaggeration to say that the Bill has been debated in any great haste.

Another problem which could occur with a Select Committee is that it could be used as a delaying tactic. For example, lawyers appearing before the Select Committee, particularly with legal argument and the like, could delay this legislation for some considerable time. The whole thrust of the Government's position on this matter is that the power of one group in this company, Santos, should be restricted and, clearly, that is in the public interest. There would then be some multiplicity of interests in Santos and, as I said in the second reading debate, no one person or one group of companies would be able to take over that company.

There is some need in the public interest for the legislation to be brought into effect as soon as possible. I do not believe that the Bill is of such a complex nature as to require detailed study by a Select Committee. Often we have before us legislation that is very complex. Indeed, the Hon. Mr. Burdett will recall the very complex Debts Repayment Bill, which was before Parliament during the last session and about which a Select Committee heard evidence for a long time. On the other hand, this is not a particularly complex Bill: the issues involved are, I believe, very clear. They have been known to honourable members opposite in precise terms at least since last Thursday.

The Hon. J. C. Burdett: What, the amendments?

The Hon. C. J. SUMNER: The general principles of the Bill have been known to honourable members opposite for some weeks before last Thursday and, as I said, the matter has been before the public for a considerable time. Honourable members opposite have raised the matter of Government amendments. Those amendments are not particularly controversial: they are more tidying-up amendments and certainly, if honourable members opposite are concerned about them, I am perfectly willing to give them time to consider the Government amendments more fully and to make available the Parliamentary Counsel so that they can, if they so desire, discuss the amendments with him. These amendments will not make a fundamental difference.

The Hon. C. M. Hill: That's only your word.

The Hon. C. J. SUMNER: I will give honourable members opposite an opportunity to look at the Government's amendments and, as I have already said, I will make available the Parliamentary Counsel to explain the amendments to them. These amendments will not alter in any fundamental way the thrust of the legislation; rather, they are basically tidying-up amendments. On those grounds, I oppose the motion to refer this Bill to a Select Committee.

The Hon. J. A. CARNIE: Having listened to the Attorney-General, one wonders of what the Government is afraid. Why is it frightened to have a properly constituted inquiry into this Bill? Why does the Government want to stop all parties, particularly the shareholders, voicing an opinion on this matter?

No pretence has been made by the Government that it did not bring forward this matter a week earlier than expected simply because a shareholders' meeting was called for 8 June. The Government wanted to ensure that the Bill passed before the shareholders had an opportunity to meet and vote on the issue. Why does the Government want to prevent this happening?

This Bill affects the private rights of a large group of investors (about 9 000 or 10 000 Santos shareholders) in this State. These people have not yet been given an opportunity to put forward their views. Any Bill that affects such a group should be considered most carefully.

I agree with the Hon. Mr. Burdett that this Bill is very close to being a hybrid Bill. I cannot agree with the Attorney's argument. In saying that, I am not criticising the ruling made by the Speaker in another place that it was not a hybrid Bill. Indeed, I accept his ruling. At the same time, however, if this is not a hybrid Bill, it is very close to being one.

The Hon. J. C. Burdett: Similar principles apply.

The Hon. J. A. CARNIE: Exactly, and for that reason this Bill should be referred to a Select Committee so that many matters can be properly canvassed and investigated. The appointment of a Select Committee would enable the directors of Santos Limited (I refer to the two different camps of directors that have shown up in recent weeks: the old directors as opposed to the Bond nominees) to put forward their views.

Obviously, they are at variance, and both should be given the opportunity to put their points of view. In particular, the shareholders should be given that opportunity. Another person that has not been mentioned (yet the Government should let him have his say) is the man in the street. The Government says that this Bill affects everyone in South Australia and the economy of the State. Therefore, everyone should have an opportunity to give evidence. This evening on television the Deputy Premier said that he would not be frightened to have an election on the issue, and I think the Hon. Mr. Dunford said this afternoon that the Government would get 80 per cent of the votes at an election. If the Government is sure, why does it not want people to have a say?

I particularly want to bring into the open information about the negotiations carried on by the Deputy Premier before the Bill saw the light of day, what people were spoken to, and what deals were made. I should like to know who initiated this move, whether it came from the Government or whether, as the Premier said yesterday:

> . . . many company boards in South Australia just aren't keeping up with the action and are slow to react. "Instead, decision awaits crisis and then, too often, there is panic and my phone runs hot about a situation that could have been avoided long before."

I wonder whether that applies in this case, and I support the motion.

The Hon. M. B. DAWKINS: This afternoon, in the second reading debate, I commented on the possibility of the appointment of a Select Committee and expressed sympathy with the Hon. Mr. Cameron's intentions in moving for such an appointment. I also expressed doubt about whether it was opportune to do this now. However,

the Hon. Mr. Burdett has now convinced me. With due respect to the Hon. Gil Langley, who has been my friend since we came into this Parliament on the same day about 17 years ago, he may have been mistaken in his ruling. However, that is beside the point. In my view, this is a hybrid Bill and, therefore, the Hon. Mr. Cameron's motion should be supported. I indicate my support.

The Hon. JESSIE COOPER: I do not support the motion. I understand that the original call for the appointment of a Select Committee came in another place on the technical proposition that the Bill was a hybrid one. The ruling has been given that it is not and, therefore, that question is of no interest to this Council, if it ever was. However, apart from any legal technicalities, this Council may decide to appoint a Select Committee in the interests of getting information and advice for members and we are now considering that sphere. I am not aware that any substantial case has been made out for the desirability of this type of inquiry. In general I consider that a Select Committee can be properly appointed and used to get any hidden facts and pressures that the Council did not understand clearly. I see nothing to suggest that that is necessary in this case. I believe that a Select Committee should not be appointed merely to allow a high propaganda campaign to be mounted or to cause delay. There is no evidence that there is new matter to be produced that would alter the present (that is, current) presentation of figures, facts or policies.

Being conscious of the necessity for reasonable speed for the conclusion of this legislation, I do not consider a Select Committee to be appropriate or necessary.

The Hon. D. H. LAIDLAW: This is one of those rare occasions when I do not support my colleague the Hon. Mr. Cameron. We have given much attention to this problem, extending as far back as last October, when the announcement was first made of the proposed purchase of the Burmah shares by the Bond Corporation. I spoke to the Deputy Premier at that stage and suggested that there ought to be legislation but, unfortunately, the Government did not act. I remind honourable members (as I have done previously) that energy is, in my opinion, the gravest crisis that I have encountered in my business life: it makes the Korea war and the Vietnam war pale into insignificance. Having been overseas for two months and having visited several countries, the full impact of the crisis has been brought home to me. I hope that, if ever we are going to declare war, we would then have to have a Select Committee before we do so. I doubt whether honourable members realise the kind of crisis we are encountering at present. I think it essential that we clear up the problem we have as quickly as possible. My colleagues and I having received many deputations, I do not think that we would be given any new information that would change our minds. Thus, I do not propose to support a Select Committee.

The Hon. C. M. HILL: I support the motion for several reasons. I notice that, in another place, debate took place on whether the Bill was a hybrid Bill. The debate on that point arose because, as it had been established by the Speaker that it was not a hybrid Bill, it was not compulsory to refer it to a Select Committee. I think, more importantly in the latter stage of the debate last week in the other place, the Opposition again brought forward the need for a Select Committee, and further debate took place, and the Liberal Party in the other place pursued that point on two occasions during that debate.

Mr. President, I think that I heard you correctly (but will stand corrected, if I am wrong) when you said earlier in this debate that, if you were asked whether your opinion was that it was a hybrid Bill, you would offer that opinion. I believe that the Government would have to accept the need to support the motion much more than it has already indicated if you expressed a view that indeed it was a hybrid Bill. In my view, it most certainly is a hybrid Bill, which, in general terms, is a public Bill that directly concerns private interests: that is what a hybrid Bill is and, if this Bill does not come under that category, I do not know what does.

The Hon. N. K. Foster: You should have read the *Hansard* report of the debates last week.

The Hon. C. M. HILL: I read the full debates of last week.

The Hon. N. K. Foster: And you can't understand it.

The Hon. C. M. HILL: That opinion comes from an expert! I believe that, on the question of the Bill being a hybrid Bill, it is a hybrid Bill. I believe that on that question alone the Government should agree that the Bill should go to a Select Committee.

The Bill should go to a Select Committee because we should make every endeavour to uphold the principles and practice of this Council. Apart from that aspect, if we are at all interested in the true functions of this Council and if we really want it to work as it should work, we should have some understanding of what those functions really are. One of the functions of this Council—

The Hon. F. T. Blevins: Is to frustrate the Government.

The Hon. C. M. HILL: That is the honourable member's opinion but, in truth, that is not so. One of the basic functions of this Council is to delay measures that need to be delayed so that the opinions of the public outside this Council can be heard before Bills are finally dealt with. For example, take the small shareholder who spoke to me in the corridors of Parliament House this afternoon. He said he had a little while ago invested money on a short-term basis in one of the companies involved in this question. He now finds, when he wants to sell that holding and recoup his funds, that the price of those shares has gone down considerably because, he says, of this Bill. To whom is that shareholder to turn to put his case? He should be able to go to a Select Committee and explain his position. That person was not a shareholder in Santos; he was a shareholder in the Endeavour company, which is also tied in with this overall question.

Members opposite are always saying that they represent small people. Where can the voice of small people be heard on this question? There would have been an opportunity for their voice to be heard effectively at the shareholders' meeting but the Government, acting in haste, is trying to prevent that. I am prepared to admit that at that meeting the atmosphere and the pressure will be such on both sides of the question that small shareholders may not have the opportunity to express their views calmly. One meeting to which such small shareholders ought to have the right to go is a meeting of a Select Committee of this Council, before this Bill is finally dealt with. I fail to see how members opposite can deny that right to small shareholders of Santos and of the other companies involved. I do not believe that the Council is acting responsibly if it does not ensure that this Bill is referred to a Select Committee. There was only the one day for debate in the Lower House, and that day's debate was jammed into a Friday. I said during the second reading debate that that was the first occasion in the history of this Parliament when the Assembly sat through a Friday. Here today, in one day's debate, the Government is expecting honourable members to conclude the second reading debate, the Committee stage,

and the third reading debate. Surely the Government will agree that that is haste. The first words of the Attorney-General's second reading explanation were:

> This is one of the most important pieces of legislation introduced in the history of the State.

The Hon. M. B. Cameron: Yet it is going through in two days.

The Hon. C. M. HILL: True. The Government deserves the strongest condemnation for trying to bulldoze this matter through when it has the opportunity to refer the Bill to a Select Committee where, in the quiet and calm of such an environment, all interests, both large and small, for and against, can put their case to a committee representing both sides of this Chamber. That committee can then come back to this Council with its recommendations.

I believe the Council would accept its recommendation because, in those circumstances, we would have done our job properly, but we cannot do our job properly on this important measure, which the Government says is one of the most important pieces of legislation in this Council's history, by rushing its passage in this way.

I commend the Hon. Mr. Cameron for trying to have the Bill referred to a Select Committee. Finally, I wonder whether you, Mr. President, would be prepared to give your opinion, for the record, as to whether or not this is a hybrid Bill.

The PRESIDENT: I do not think that it is proper for me to question the ruling of another Presiding Officer. As the Bill was not introduced in this Council, it would not be proper for me to make such a statement.

The Hon. M. B. CAMERON: I thank those honourable members who have indicated support for my motion. Clearly, unless a member of the Government is willing to support my motion, from what has been said it will not pass. I express great disappointment about that, not personally but in regard to this Council. This is one opportunity that this Council has to show that it really is what we have heard it is—a House of Review, a Chamber willing to give people the opportunity of having a say.

I listened to what the Attorney-General had to say, but his claim that this Bill is passing in a normal manner was utter nonsense.

The Hon. J. A. Carnie: He is just new.

The Hon. M. B. CAMERON: Either he is new or has not been awake during these proceedings, because the Bill is going through in a manner that is totally unique.

The Hon. J. C. Burdett: It is one of the most important Bills with which this Council has dealt.

The Hon. M. B. CAMERON: True, and those were the Minister's words. I suggest to the new Leader of the Government in this Chamber that, if he is going to be believable to members on this side, he should stop making such statements. His statement was sheer and utter nonsense. It was indicated that, if we had a Select Committee, we might have more wars, or the like—

The Hon. D. H. Laidlaw: I didn't say that.

The Hon. M. B. CAMERON: All I can say is that for people about to make war it might not be a bad idea if they had a few Select Committees—we might have had fewer wars. At least people would be talking about not having war. In this case what we are doing is arbitrating the fight on the Santos board.

The Hon. D. H. Laidlaw: We are not.

The Hon. M. B. CAMERON: We are. We have a situation of conflict between two groups of directors; honourable members can read the newspapers if they do not believe me and see the conflicting opinions that have been expressed. We are arbitrating a fight between the two factions on the Santos board. I want those people to have the opportunity of settling their differences without this legislation.

It is well known to every member on this side of the Council that those people on the Santos board who indicate support for the Government on the legislation would prefer not to have it. Those words are being used. They would prefer the matter to be resolved without legislation, and the Hon. Mr. Laidlaw knows that that is true.

The Hon. D. H. Laidlaw: It isn't true.

The Hon. M. B. CAMERON: It is. It is absolutely essential for this Council to allow the people in conflict on this issue—the Santos board—to settle their differences and find a way around this problem, and for the Government and Mr. Bond to settle their differences, because we are just arbitrating on a series of differences of opinion. That is not the proper role of Parliament, and I urge members to support the motion.

The Council divided on the motion:

Ayes (5)—The Hons. J. C. Burdett, M. B. Cameron (teller), J. A. Carnie, M. B. Dawkins, and C. M. Hill.

Noes (12)—The Hons. D. H. L. Banfield, F. T. Blevins, 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).

Pair—Aye—The Hon. K. T. Griffin. No—The Hon. T. M. Casey.

Majority of 7 for the Noes.

Motion thus negatived.

In Committee.

Clause 1—"Short title."

The Hon. C. M. HILL: As the proposed amendment to the short title will depend somewhat on the Committee's decision on further amendments, I seek your guidance on the way in which we should proceed.

The CHAIRMAN: Since both sides are involved in this, and since the amendment is dependent on the passing of other amendments, perhaps we could postpone consideration of this provision.

The Hon. C. M. HILL: I move:

> That consideration of this clause be postponed.

Motion carried.

Clause 2—"Interpretation."

The Hon. C. M. HILL: I move:

> Page 1, after line 8—Insert definition as follows:
> "instrumentality of the Crown" means any Minister, officer, instrumentality or agency of the Crown:

All the amendments to this clause are in the one context. It is proposed to amend the clause to ensure that the Crown and instrumentalities of the Crown are related for the purposes of the clause and for the purposes of establishing a group of associated shareholders. It is necessary for us to consider this clause because of the implications of proposed new clause 9 that the Crown should be bound within this legislation. The amendment to insert a new clause 9 is on file.

The amendment inserts a definition of the phrase "instrumentality of the Crown". The effect of the amendments is to endeavour to provide that all instrumentalities of the Crown are deemed associates for the purposes of this legislation. It would not be right for the Crown to be bound to a certain shareholding while any Ministers, officers, instrumentalities, or agencies of the Crown might not be able to be grouped together as associates of each other. The amendments are to put this matter in order.

The Hon. K. T. GRIFFIN: I support the amendment. Clause 2 as drafted is directed towards bodies corporate

generally governed by the provisions of the Companies Act. If we are successful in having the Crown bound by this legislation, I believe it will be important to ensure that the grouping provisions as specified in clause 2 are sufficiently explicit to be able to catch an "instrumentality of the Crown" as defined, meaning any Minister, officer, instrumentality, or agency of the Crown. In one respect or another, they are all the Crown or instrumentalities of the Crown.

I previously made the point that it is important for this sort of legislation to bind the Crown, and that, if private enterprise is to be covered by the grouping provisions, they should also apply to the Government, to the public sector. The amendments proposed to clause 2 will be effective in doing that, so that, if the Government does want to nationalise this operation or obtain a major interest, it will not be able to do it by stealth, but will be forced to come out into the open with a declaration that that is its objective. It will have to indicate its intention quite positively, by an amendment to the legislation at the appropriate time, to enable that to be done. If we did not cover instrumentalities of the Crown, as envisaged by this amendment, it would be possible for the Minister, an officer of the Government, more than one statutory corporation, or an instrumentality of the Crown each to hold the maximum permissible number of shares. Whilst in aggregate they may hold a very substantial parcel of shares, individually they will not come within the stringent provisions of the legislation which are applicable to private enterprise. I believe they should be required to aggregate, to enable proper identification of the extent of the involvement of the Crown, its instrumentalities or its agencies in the Santos company. I support the amendment.

The Hon. C. J. SUMNER: The Government opposes this amendment. It is not appropriate that this legislation, in the form it has been presented by the Government, should bind the Crown. It is not appropriate, because the operation of the Bill, particularly the operation of the divesting provisions, rests with the discretion of the Minister pursuant to clause 5.

The simple situation is outlined in the position I put forward during the second reading debate, namely, that the Minister, and of course the Government, are accountable, initially to Parliament and ultimately to the electorate, for their actions. Should the Government act in any way which contravenes the opinions of Parliament or, ultimately, the electorate as a whole, it could then be brought to account by Parliament and the electorate. On that ground, the Government does not feel the Crown should be bound by this legislation.

The Hon. M. B. CAMERON: In the explanation just given by the Minister, I think we have the first glimmerings of the truth of what the Government is about. A short time ago I heard the Minister say that the Bill was designed to ensure a good spread of interests in the Santos company. We now find that the Minister is not prepared to bind the Crown, so we have a situation where private individuals and private companies can hold only a limited percentage, with no restraint being placed on the Government. That is where the truth starts to come out.

The Government's intentions are fairly clear. The claim that the Government is accountable after the event is merely a smokescreen. As the Attorney-General knows, the Government is not judged on only one matter, so it could do this without being accountable to the electorate or to Parliament. Matters such as this will be raised, but it is not only on one matter that it will be judged, so this is a smokescreen and an attempt to hide. Everybody should be accountable in the same way that boards of directors should be accountable. The rejection of this amendment by the Government will give a clear indication of its future intentions.

The Hon. R. A. GEDDES: The Attorney has raised a question similar to that raised by the Hon. Mr. Cameron. Will it be possible for the Government to purchase a large number of Santos shares, and will the Government be able in future to trade in those shares without a line being placed on the Budget or without its introducing an amending Bill? The Opposition's concern regarding binding the Crown emanates from statements made by one of the corporations concerned in the legislation; hence the proposed amendments. What the Attorney has said has alerted the Hon. Mr. Cameron and me.

The Hon. C. J. SUMNER: I understand that any further acquisitions by the Government will require the matter to come before Parliament for further authorisation by way of legislation.

The Hon. C. M. HILL: In that case, how does the Government intend to divest the shareholder concerned? Is the Attorney saying that the Government is unable to acquire shares of a major shareholder without introducing further legislation?

The Hon. C. J. SUMNER: No. Clearly, the Government can use clause 5 to divest of excess shares a shareholder who has more than a 15 per cent shareholding. Clearly, then, the Minister would be able to act once this legislation was passed. However, in terms of further acquisitions, I understand that legislative authority would be required.

The Hon. C. M. HILL: The clause is tied closely to another amendment on file regarding the Crown's being bound by the legislation. I feel strongly about that amendment and, because of that feeling alone, it is important that this amendment should be passed. The point is that, if the Crown ever wanted to circumvent a section within the Act that bound it in this way, it would, of course, try to place shares in the names of its officers, nominees or instrumentalities that one does not normally associate with the Crown.

I do not believe that that possibility should be permitted. The Bill should be tightened up to prevent that type of problem arising, and that is the object of this amendment. It simply means that, if and when the Crown is bound, its total acquisition, including all property owned by any of its agencies, instrumentalities or officers, must be made public knowledge and must be placed under the one heading. That is the proper type of legislation to have on the Statute Book.

The Committee divided on the amendment:

Ayes (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.

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

Pair—Aye—The Hon. R. C. DeGaris. No—The Hon. T. M. Casey.

The CHAIRMAN: Because I believe that the legislation should be considered to its fullest extent, and to enable this matter to be considered further, I cast my vote for the Ayes.

Amendment thus carried.

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

Page 1, line 9—Leave out definition of "share" and insert definition as follows:

"share" means a share in the capital of the company and includes stock, or a unit of stock, in the capital of the

company:

Amendment carried.

The Hon. C. M. HILL: I move:

Page 2, line 24—Leave out "or".

This is consequential on the amendment with which we have just dealt and which has been explained and debated.

Amendment carried.

The Hon. C. M. HILL: I move:

Page 2, after line 28—Insert paragraph as follows:

(k) A person who is associated with the other person in accordance with subsection (2a) of this section.

This amendment is part of the amendment we debated a moment ago on which the Committee has made a decision.

The Hon. C. J. SUMNER: I concede that this amendment is consequential on the decision the Committee has just taken. Suffice to say that we oppose the amendment.

Amendment carried.

The Hon. C. M. HILL: I move:

Page 2, after line 28—Insert subclause as follows:

(2a) Instrumentalities of the Crown are, for the purposes of this Act, associates of each other.

This amendment also is consequential on the former amendment on which the Committee has deliberated and decided.

Amendment carried.

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

Page 2, after line 37 —Insert subclause as follows:

(4) This Act applies in respect of any transaction, agreement, arrangement or understanding—

(a) whether the transaction, agreement, arrangement or understanding is entered into, or made, in this State or elsewhere;

(b) whether the shares (if any) to which the transaction, agreement, arrangement or understanding relates are registered in this State or not; and

(c) whether the proper law of the transaction, agreement, arrangement or understanding is the law of this State or not.

The amendment ensures that the Bill applies to any transaction, agreement, arrangement, or understanding, no matter whether it is entered into within the State of South Australia or in any other State of the Commonwealth. It is necessary fully to give effect to the basic purpose and thrust of the legislation.

The Hon. J. C. BURDETT: I am not necessarily opposed to what the amendment seeks to do, but is it necessary? Does the Attorney-General think that, if the amendment were not moved, the same things could be achieved under the Bill?

The Hon. C. J. SUMNER: Although it may not be strictly necessary, it is perhaps because of an excess of caution that the Government believes it is necessary in case any question should be raised as to the extra-territorial effect of the legislation. If the Committee agrees with the thrust of the legislation and its basic principles, it would be a pity to leave it to challenge on that basis.

Amendment carried; clause as amended passed.

Clause 3—"Circumstances in which shareholders are to be regarded as a group of associated shareholders."

The Hon. C. M. HILL: I move:

Page 2—

Line 46—Leave out ", in the opinion of the Minister".

After line 49—

Insert subclauses as follows:

(1a) Where in the opinion of the Minister two or more shareholders constitute a group of associated shareholders he may, by notice published in the *Gazette*, declare those shareholders to be a group of associated shareholders.

(1b) Where a declaration is in force under subsection (1a) of this section, the shareholders to whom the declaration relates shall be conclusively presumed to be a group of associated shareholders.

(1c) A declaration under subsection (1a) of this section—

(a) may be revoked by the Minister by notice of revocation published in the *Gazette;* or

(b) may be set aside by the Supreme Court upon an application under subsection (1d) of this section.

(1d) Where the Supreme Court is satisfied, upon an application made by the company or any aggrieved shareholder within 14 days after publication of a notice under subsection (1a) of this section, that proper grounds for the declaration contained in the notice do not exist, it may set aside the declaration.

(1e) Where a declaration is set aside in pursuance of subsection (1d) of this section, a subsequent declaration shall not be made on the basis of the same, or substantially the same, facts.

In its present form, this clause enables the Minister to determine whether two or more shareholders are likely to act in concert with a view to taking control of the company. There is no specific appeal from this decision, although action could be taken in the courts if it could be established that there were no facts on which the Minister could base his opinion. My amendment sets up a procedure whereby the Minister may, by notice published in the *Gazette*, declare two or more shareholders to be a group of associated shareholders. The Bill enables the Minister, without any criteria, to determine when two or more shareholders constitute a group of associated shareholders. This raises the conclusive presumption that such shareholders are associated at a general meeting. My amendment provides for a determination of the Minister within the procedure, and it provides that a declaration or determination may be set aside by the Supreme Court upon an application made by the company or any aggrieved shareholder and upon the Supreme Court's being satisfied that proper grounds for the determination do not exist. This clause deals with the circumstances in which shareholders will be regarded as a group of associated shareholders.

The Hon. C. J. SUMNER: The Government opposes the amendment. There are two aspects. First, the Hon. Mr. Hill wants to leave out the words "in the opinion of the Minister" in subclause (1) *(c)* and he wants to establish further in the clause a procedure whereby an appeal can be made by anyone who feels aggrieved by the Minister's action. Subclause (1) *(c)* is in identical terms to a provision passed last year in this place in the South Australian Gas Company's Act Amendment Act except that instead of the words "in the opinion of the Minister" there appeared the words "in the opinion of the directors". The only change in principle is that the Minister now has that responsibility instead of the directors. That is necessary in this case because of the nature of the legislation, the fact that the Minister has a crucial role to play in the rest of the legislation, and also because, at present, one group, the Bond Corporation, has already achieved a substantial interest in Santos.

The Government believes that it should be the Minister's opinion, as to whether two or more shareholders are likely to act in concert with a view to taking control of the company, which ought to be

paramount. I will not repeat the comment I made earlier about Ministerial accountability and responsibility. The Government believes there is no need for the other subclauses that the Hon. Mr. Hill wishes to insert and which set up an appeal procedure and mean that the matter can end up in the Supreme Court.

It can still end up in the Supreme Court under the Government's proposal. It can still be subject to judicial review by a prerogative writ and, possibly, a declaration in the equity jurisdiction in the Supreme Court, if someone felt aggrieved by the Minister's action, and if the Minister behaved capriciously and did not have reasonable grounds upon which to hold his opinion. There does not seem to be any real need for a further provision regarding appeals. The Government believes the Minister's opinion is essential for the purposes of the Bill, and any aggrieved person, particularly a shareholder, could have the matter adjudicated upon by a court.

The Hon. J. C. BURDETT: The Attorney claims that the amendment is not necessary, but we have just accepted an amendment that he admitted was probably not necessary. Perhaps he may be prepared to do the same in this case. I suggest the amendment is necessary if justice is to be done. I refer the Attorney to clause 3 (1) *(c)*. True, an aggrieved shareholder can take action in court but, if he does, he must establish that there is not any basis, facts, or grounds on which the Minister can act. That is a severe onus, indeed.

It is fair that the courts will not lightly and for no reason substitute their own opinion for that of the Minister. That is not a thing that they will do. The amendment sets up a detailed procedure, with notice to be given and published in the *Gazette* (they spell out a procedure of appeal to the court), and I cannot see how anyone can reject that or claim that there is anything wrong with it or that it greatly harms the Government.

The onus of proof would be on the aggrieved shareholder. He would have to establish that the shareholders in question were not likely to act in concert with a view to taking control of the company or otherwise against the public interest.

I suggest that there is no doubt that the Minister has the right of *locus standi*. He would be entitled to representation before the court. This amendment deals not only with clause 3 but also with an aspect of the present clause 6. This perhaps in some ways is even more onerous, because clause 6 (2) provides:

> Where the Minister determines that two or more shareholders constitute a group of associated shareholders, and gives notice of that determination to the company, those shareholders shall, unless the determination has been revoked, be conclusively presumed at any subsequent general meeting of the company to be a group of associated shareholders.

There is no question of the Minister's expressing an opinion in this case. It is even more Draconian than clause 3 (1) *(c)* because, in that case, some criteria are laid down.

Under clause 3 (1) *(c)*, if an aggrieved shareholder takes an action to the court, the criteria for the court to determine whether or not the Minister was justified in so acting are there, but in clause 6 (2) they are not; it is simply, "Where the Minister determines . . .".

I suggest that the amendment provides a reasonable procedure in both cases—where the Minister makes a declaration and where, in his opinion, the declaration ought to be made, and he makes a declaration. Where the declaration is made, notice has to be given in the *Gazette*. That is a sensible and reasonable procedure. In either case, whether under clause 3 (1) *(c)* or clause 6 (2), a simple procedure is made out for shareholders to take the matter before the court. The onus of proof is on the shareholder. The Minister has *locus standi* to argue to the contrary, to have his case presented in the court, which can determine whether or not these grounds do exist.

I suggest that the procedure proposed is reasonable and just, and that it will provide a reasonable protection for shareholders. As the situation stands at present, the Minister can, whatever subsequent redresses there may be, quite arbitrarily determine that A and B do constitute a group and that they are trying to take over control of the company. If one has that arbitrary power, there ought to be some reasonable appeal provision.

The Hon. K. T. GRIFFIN: I support the amendment. It is important to establish a specific scheme under which some relief may be granted against a determination by the Minister that may not be based on proper grounds. The Attorney-General has indicated that the opinion of the Minister may be challenged by prerogative writ. Most of those who have had some experience with the issue and prosecution of prerogative writs will know how complex they are and how difficult it is to established grounds on which the opinion of the Minister may be challenged. The scheme which is set out in the amendments is a simpler scheme whereby rights are more readily identifiable and whereby the procedure is more clearly specified.

The second point I make is that, under the amendments, not only will an aggrieved shareholder have *locus standi* and be able to take the matter to the Supreme Court but also the company may have that right. As I understand it, the company would not have the proper *locus standi* to take the Minister to court under a prerogative writ.

However, it may be in the interests of the company as a whole, not necessarily in the interests of any one group of shareholders, that the company challenge any declaration or determination made by the Minister. That is another reason why I think the scheme is preferable to that set out in the Bill.

The third point is that, if a prerogative is used to challenge the opinion of the Minister, once that is determined the Minister could once again make a determination or declaration on the same or substantially the same facts and do as has been done on occasions with regulations, for example, where, once disallowed by this Council, they are immediately re-enacted on the next day. That would in fact thwart the proper remedies which are available to aggrieved shareholders.

The amendment in subclause (1e) makes a specific provision that, if the Minister makes a declaration which is successfully set aside by the court, he cannot make any declaration on the same or substantially the same set of facts. Therefore, I believe that the scheme set out in the amendment is a good one. It clarifies the position for all parties and for prospective parties, and is preferable to the scheme specified in clause 3 (1) *(c)*.

The Hon. C. J. SUMNER: I take issue with only one suggestion made by the Hon. Mr. Griffin, and that was that a Minister of the Crown of this Government would act in a way that would in effect be contrary to a decision already given by the court. If the matter was taken to the court by a prerogative writ or for a declaration, and a decision made contrary to the Minister's opinion, the suggestion of the Hon. Mr. Griffin that a Minister of the Crown would immediately make a further declaration or give another opinion in precisely the same situation in contravention of a decision of the court is quite astounding. If the Minister did that, I think he would be running very close to being in contempt of court. To think that such a situation would arise is quite improper.

The Hon. K. T. GRIFFIN: It was an inference that could be drawn from the comments I made, but it was not an

inference intended. In political life, a Ministry might change. On one occasion a Minister could make a determination and, on another occasion, after the Supreme Court has given its decision, another Minister could be exercising this power. It is important, therefore, that this provision be included in the scheme to ensure that there is no temptation for any Minister in those circumstances to make a fresh declaration on the same or substantially the same facts.

The Hon. R. A. Geddes: Checks and balances.

The Hon. K. T. GRIFFIN: Yes.

The Committee divided on the amendments:

Ayes (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.

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

Pair—Aye—The Hon. R. C. DeGaris. No—The Hon. T. M. Casey.

The CHAIRMAN: There are 9 Ayes and 9 Noes. To enable the matter to be considered further, I give my casting vote in favour of the Ayes.

Amendments thus carried.

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

Page 3—After line 11 insert subclause as follows:

(4) The Minister shall give to the company—

(a) notice of any requirement made by the Minister in pursuance of subsection (2) of this section, and of any failure by the shareholder to whom the requirement is directed to comply with that requirement; and

(b) notice of any determination of the Minister to the effect that two or more shareholders of the company constitute a group of associated shareholders.

This amendment requires that, once the Minister has served a notice in writing pursuant to clause 3 (2) on any shareholder requiring that shareholder to furnish information specified in the notice (that information being required for the Minister in order for him to determine whether or not a shareholder is a member of a group of associated shareholders), a notice of that requirement should be sent by the Minister to the company. Further, it is required that any determination of the Minister, made on the basis of information received or otherwise on whether or not two or more shareholders constitute a group of associated shareholders, should also be given to the company.

In other words, it is being done so that the company can be fully informed of the Minister's activities in obtaining information for the purposes of declaring two or more shareholders a group of associated shareholders and, indeed, so that the company concerned can be told when such a declaration is made.

The Hon. C. M. HILL: I support the amendment. I am pleased that the Government has at long last decided to amend the Bill. I have noticed that, although attempts were made in another place to have amendments carried, the Government stubbornly refused to budge in its opposition to them. It is perhaps a compliment to the Council that the Government has placed these amendments on file. Although I reserve my judgment on the amendments to be debated later, I think generally that they improve the Bill.

Amendment carried; clause as amended passed.

Clause 4—"Limitation upon size of shareholdings in the company."

The Hon. C. M. HILL: I move:

Page 3, line 13—Leave out "fifteen" and insert "thirty-seven and one half".

This matter, relating to the Government's having the right to divest a shareholder of his property, raised much debate earlier. The amendment changes to 37·5 per cent the limit of 15 per cent that the Government proposed in the Bill. My amendment provides for 37·5 per cent because, although I understand that the Bond interests have slightly more than that percentage of shares in this company, 37·5 per cent was, I understand, the size of the one parcel of shares that was acquired from Burmah Oil by the Bond interests. I suppose it can be said that that one transaction was the issue that started this whole trouble.

I do not intend to canvass the arguments that have been raised today by those who believe that it is completely wrong for a Government to introduce a law that takes from a citizen property that he acquired quite properly and within the law. However, that is what the Bill does: it strips the man of the majority of his shares.

This is one of the worst actions that a Government, with all the power and might of the law behind it, can take against any person. Although I agree that some control on the optimum number of shares is desirable in the public interest, the question arises regarding what that lawful ceiling should be.

Because the person concerned was involved in this proper transaction and acquired one parcel of 37·5 per cent of the company's shares, I think that that figure should be fixed as the optimum, and for those reasons I urge honourable members to support the amendment.

The Hon. J. A. CARNIE: I want to make clear my position regarding this matter. I made clear in my second reading speech that I opposed the whole concept of this Bill and what the Government was doing. I said that it was obvious that the second reading would be carried, and that has happened.

As a poor second best, I would support this amendment providing for 37·5 per cent. I believe that what the Government is doing is morally wrong. Mr. Bond or his corporation acquired, perfectly legitimately and legally, a 37·5 per cent interest in Santos.

This is retrospective legislation of the worst type: it strips a man of shares that he acquired legally and properly about eight or nine months ago. As I have said, I oppose the concept of the Bill because it places improper restrictions on Stock Exchange dealings, but, so that the Bond Corporation will not be stripped of a majority of its shares, probably at a substantial loss, I support the amendment.

The Hon. D. H. LAIDLAW: I regret that I cannot support this amendment. I said in the second reading debate that it seemed unfair to force the Bond Corporation and its associate, Endeavour Resources, to divest themselves to below the 37·5 per cent interest that they acquired from a subsidiary of Burmah Oil, realising that the directors of Santos previously, of their own volition, had agreed to issue up to that proportion of the issued capital of Burmah Oil.

However, as I said in the second reading debate, I was appalled by the approach made by the Bond Corporation, through its legal counsel, to Federal Ministers, suggesting that the Federal Government should move, under its defence powers in the Constitution, to acquire control of all oil and gas in South Australia. A report of this appeared in the *Financial Review* on 29 May, after the debate in the House of Assembly had concluded, and its accuracy has been verified by speaking to representatives of the Bond Corporation and several Federal members.

There is some doubt about when this submission was forwarded to the Government, and it is unlikely that the Liberal Government would take note of it. However, the fact that Mr. Bond took such extreme action when he was on the defensive indicates, in my opinion, that he feels no loyalty to South Australia. To suggest giving away control of the oil and gas reserves in this State in the midst of the energy crisis is, to my mind, extraordinary. If Mr. Bond is surprised at the attitude that I take, I ask him how he thinks Sir Charles Court would react if a South Australian bought some shares in Western Australia, then submitted to Canberra that Western Australia be divested of its oil and gas reserves. For these reasons, I think it is justifiable to force the Bond Corporation and its associate, Endeavour Resources, down to a combined holding of 15 per cent of the issued capital.

The Hon. JESSIE COOPER: I, too, oppose the amendment. I have listened to the arguments, and one must be realistic. Anyone who has a knowledge of companies and their shareholders knows that a 37·5 per cent holding in a company by one shareholder or a group of shareholders virtually gives control of that company. Anyone who has tried to get agreement among 60 per cent on anything knows that it is up-hill work. In fact, anyone who can persuade 60 per cent of any group of people in any field that they should be in total agreement will be a marvel and worth his weight in gold to any political Party that is trying to get 51 per cent of the votes.

The Hon. M. B. CAMERON: It is proper for me to express my extreme disappointment at the clear expression of opinion by members on this side that will lead to this amendment being lost. I do not believe that we should take an attitude against Mr. Bond on the basis of one statement, which I understand was made when he was of the firm opinion that people on this side and on the other side did not support him. There had been indications of support from the Government, as the Hon. Mr. Laidlaw well knows, but I do not want to go into that matter.

This is the key to what is being done to Mr. Bond and the Bond Corporation because of a mistake by the Minister—to use the Minister's own words, a terrible mistake. This is where the real crunch comes against the people concerned and against a single individual. I believe it is a totally improper use of power to do this against one person, particularly following what the Minister said in his second reading explanation in the other place, and the Minister here repeated it. I regard what was said as a total abuse of the Parliament. Obviously, it has been deleterious to the people concerned, and it has been done only because the Minister did not act earlier. He set out to destroy, if possible, both Mr. Bond and the Bond Corporation to cover up his own mistake. I am disappointed that some of our members will be supporting him, but that is the way it goes. I urge some of my Opposition colleagues to reconsider their position before applying what is a heavy penalty to these people.

The Hon. J. C. BURDETT: I support the amendment. I think it would be improper to deprive Mr. Bond, or anyone else, of shares that have been properly acquired. All the amendments on file that were to be proposed by the Hon. Mr. Hill included another way of preventing Mr. Bond from taking control: by restricting his voting rights to 15 per cent. Sir Charles Court, who has been referred to in the debate, has strongly criticised this legislation, and I agree with his criticism.

The Hon. C. J. SUMNER: The Government opposes the amendment, and there is no point in canvassing the issues at length in Committee. As the clause, which is essential to the Bill, was discussed at length during the second reading debate, I do not believe it necessary to traverse the same ground again.

The Hon. M. B. DAWKINS: I support the amendment. I share the disappointment of the Hon. Mr. Cameron, and I underline the fact that I may have found it more difficult to support the amendment without the provisions to which the Hon. Mr. Burdett has referred. The intention of the amendment was allied with the intention to limit the voting power to 15 per cent, which I believe would have covered the situation adequately. I am indeed sorry that some of my Opposition colleagues have decided that they cannot support the amendment.

The Committee divided on the amendment:

Ayes (7)—The Hons. J. C. Burdett, M. B. Cameron, J. A. Carnie, M. B. Dawkins, R. A. Geddes, K. T. Griffin, and C. M. Hill (teller).

Noes (11)—The Hons. D. H. L. Banfield, F. T. Blevins, B. A. Chatterton, Jessie Cooper, J. R. Cornwall, C. W. Creedon, J. E. Dunford, N. K. Foster, D. H. Laidlaw, Anne Levy, and C. J. Sumner (teller).

Pair—Aye—The Hon. R. C. DeGaris. No—The Hon. T. M. Casey.

Majority of 4 for the Noes.

Amendment thus negatived; clause passed.

Clause 5—"Minister may require divestment of shares."

The Hon. K. T. GRIFFIN: I move:

Page 3, line 19—Leave out "six months" and insert "two years".

This amendment is consequential on the Hon. Mr. Hill's amendment to clause 4 not being carried. Clause 5 provides that the Minister may require a shareholder to divest himself of shares held in excess of the 15 per cent provided for in clause 4. The Bill at present provides that the Minister may, by notice, require a shareholder to divest himself of shares within six months of a date specified in the notice. It is conceivable that the period may be as little as six months.

I believe that, if a group of shareholders is required to divest itself of shares in excess of its 15 per cent shareholding within six months, the impact on the market not only for those shareholders but for all shareholders in that company would be disastrous. It would be even more disastrous in the circumstances surrounding the Bond Corporation, which holds between 37·5 per cent and 40 per cent of Santos shares. If it is required to divest up to 25 per cent of those shares, which is a substantial parcel (there is also the excess shareholding of A.G.L. and other shareholders), it would have a disastrous impact on the market. Two years is an appropriate period over which the shareholder can divest himself of shares without disrupting the market significantly, as dumping within six months would do.

The Hon. C. J. SUMNER: The Government opposes the amendment. It believes that six months is a reasonable period in which shareholders can divest themselves of excess shares above 15 per cent. In the case of the Bond Corporation, the Government has indicated that it would purchase the shares in such a way that the corporation would not sustain loss on its share purchase. As I said in the second reading explanation, the corporation may be able to sell the shares much in excess of the price it paid for them. It is imperative that this legislation takes effect within a reasonable time so that the situation within Santos can settle down. This would not apply if a two-year period were allowed for the divesting of shares. This is a similar period to that which this Chamber approved for the Gas Company legislation last year.

The Hon. J. C. BURDETT: I support the amendment. The number of shares involved in the Gas Company legislation was much less. Here a massive number of shares are to be divested. If the amendment is lost and the

corporation cannot sell its shares for cost plus 10 per cent, will the Government give an undertaking that it will purchase the shares at that figure?

The Hon. D. H. LAIDLAW: I only heard of this amendment a few minutes ago, and I cannot support it. As I said in the second reading debate, South Australia runs out of gas in 1985.

I hope that a reputable, large, and responsible mining company will come in and develop the field. To invite it in and tell it we cannot do anything about it for two years seems to defeat the whole object of the remarks I made today. I keep reminding honourable members that we will run out of gas in 1985. We do not have two weeks to waste, let alone two years.

The Hon. C. M. HILL: It seems that the Committee should be considering a period of not less than six months but no more than two years. If an owner is to be put into this grossly unfair and completely wrong situation, at least he has to be given a fair and reasonable time in which to dispose of that holding. A period of up to two years is fair and reasonable. I would support the amendment if it clearly provided the intent that the person should be given up to two years in which to sell his shares, and I would hope that there would be many others who would support that contention in the cause of fairness to the person being treated in this way.

It is obvious that this Bill will go to a conference between the Houses, because the Government in this Chamber has indicated that it does not accept certain amendments that have now been passed. I would like to see this kind of time factor discussed fully and ironed out, as it may well be that it can vary a little away from the two-year span. I would never agree to such a person being forced to sell within six months. It is obvious that there are some doubts as to what we are dealing with. Can the mover explain the intent of his amendment?

The Hon. D. H. LAIDLAW: I suspect I misunderstood. I thought he could not do it before two years.

The Hon. K. T. GRIFFIN: The provision is that the Minister may give notice requiring a person within a period, being a period of not less than six months specified in the notice, to sell or dispose of the excess shares. From a practical viewpoint, if the notice were given tomorrow and six months was fixed as the minimum period, the shareholder would have to divest himself of the shares within that period. If he did not, at the expiration of the six-month period they could be forfeited to the Crown under the provisions of the Bill.

My amendment seeks to extend that minimum period to two years. I hope that, if the Bill gets to a conference, that area can be discussed. For the reasons I have given, namely, the disastrous impact it would have on the market, I believe that the six-month minimum period is inadequate if the shareholder is required to divest himself of 25 per cent of the shares in the company. It is true that, by changing the six months to two years, if the Minister were to give notice tomorrow fixing a period of two years, the shareholder would have up to two years within which to divest himself of those shares. If he did not, at the expiration of the two-year period the axe would fall and they would be forfeited to the Crown and sold through the Registrar of Companies.

It seems to me that the minimum of six months is grossly inadequate to achieve the objective specified in the Bill. Two years is a more reasonable time, but I would hope that the matter could be discussed and any of these difficulties ironed out at a conference.

The Hon. D. H. LAIDLAW: Having pointed out that I had seen the amendment only five minutes ago, and having misinterpreted it, thinking that the notice could not be given for two years, I wish to withdraw my objection to it.

The Hon. M. B. CAMERON: I support the amendment which, in view of what has occurred, is an important one. From my information, the number of shares involved would be 12 000 000. If the Minister decided that they had to be sold within a period of six months, the effect could be disastrous on the Bond Corporation, on the people investing, and also on the ordinary shareholder who may, in the normal course of transactions, wish to sell his shares.

The period of six months might have been set having in mind a group of investors, to which the Minister has alluded publicly, being able to purchase the shares as a total parcel, but that has not been confirmed and might not even come to pass. It is important in that case to give some added protection to the people being divested, and also to the ordinary shareholder who would be deleteriously affected by such an enormous number of shares coming on the market at one time.

The Hon. C. M. HILL: I thank the Hon. Mr. Griffin for his explanation, and the amendment is now clear. I support it, but I think it is one of the several items which should be discussed further at a conference, when perhaps some adjustment could be made. At this stage, I strongly support the amendment.

The Hon. J. C. BURDETT: I suggest that a matter which could be discussed at a conference or at some later time would be a scale of divesting, a certain percentage a month, or something of the sort. To be required, if the Minister so decides, to dispose of a parcel such as this within six months seems quite improper and would be likely to produce a considerable loss.

The Hon. C. J. SUMNER: The crucial factor is the one which I put previously and which I thought the Hon. Mr. Laidlaw had agreed with: it is important that we get the situation settled down as soon as possible after the legislation is passed. Naturally, the Government will not make the shareholders divest themselves of their shares within a period of two or three weeks or even three months; six months is being allowed. If a period of two years is allowed, we run the risk of having an unstable situation within the company for the whole of the period. Quite clearly, that would be unacceptable for the future investment work of the company in the Cooper Basin, and I believe that was the point put by the Hon. Mr. Laidlaw. Even though there has been a further explanation of the import of the amendment, I still believe that that is a valid reason to oppose it.

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.

The Hon. K. T. GRIFFIN: I have several points to make about the Attorney-General's assertion that it is necessary for the situation in Santos to settle down as quickly as possible. I do not think that there is any doubt that that is necessary. The period of time within which a shareholder should be required to divest himself of his shares does not affect that situation. We must remember that the voting rights are already limited under the Bill if it becomes law, so that that shareholder would not have the capacity to

exercise more than 15 per cent of the votes in the company. Therefore, that shareholder will not be able to hold the same number of seats on the board and will not be able to affect the general meetings of the company in the way that that shareholder is presently able to do. In itself, the limitations on the voting rights will promote stability rather than continue the unstable situation in Santos.

The second point is that, if a shareholder is required to divest himself of a substantial parcel of shares over a longer period of time, I suggest that, being in a no-win situation, he would be more inclined to divest himself of shares, at a reasonable price, to some other group with expertise in the gas and oil exploration field in the Cooper Basin, if the offer was made, rather than hanging on to them in the hope that their value may increase in the future.

Thirdly, my recollection is that the Minister said, in his second reading explanation, that the company directors had the right to issue up to 10 per cent of the shares on any one occasion without requiring the authority of a general meeting of shareholders. Therefore, if there was a group who had the necessary expertise required for the further development of the Cooper Basin, it would still be within the power of the board to allocate a parcel of up to 10 per cent of the shares to give that group the necessary stake in the company which it may require to bring its expertise to the operation.

That could be done in any event and would add to the opportunities that would be available to the board to broaden the shareholding in the company and to bring in the necessary expertise that it may consider is required in the operation.

The Hon. C. M. HILL: The Attorney claimed that a shorter settling-down period in relation to this matter was desirable, and share prices have been referred to. I submit that the whole question of share prices is one of the greatest uncertainties in this whole matter. There has been little indication from the Government that it has thoroughly investigated with experts the problems that might occur in relation to share prices as a result of this Government-imposed control.

When speaking of share prices, I am referring not only to share prices in Santos Limited or to the substantial shareholders of that company but also to the small shareholders therein as well as those in many associated companies whose share prices will react if great change is imposed too quickly by the Government in this area. I do not in any way disagree that the need for the Santos operation to get on with its major planning is vital. However, this is a matter that I would have liked to see raised by the share-broking profession and indeed by share owners, all of whom are concerned about the reaction to and the resultant effect on share prices of the Government's action, before a Select Committee.

I consider that there is a greater possibility of share prices reacting badly in the interests of many shareholders if the Government imposes its changes quickly. If the Government makes these changes within six months, it is possible that there will be a serious loss of capital to small shareholders, who cannot afford the losses that will occur as a result of the Government's intervention.

Therefore, the possibility of the change being made during a longer period of time is a precaution that the Council should support. This will help to solve the problem that may arise in relation to small shareholders, whose share prices might be affected adversely as a result of the change.

The Committee divided on the amendment:

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

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

Pair—Ayes—The Hon. R. C. DeGaris. No—The Hon. T. M. Casey.

The CHAIRMAN: There are 9 Ayes and 9 Noes. I give my casting vote for the Ayes.

Amendment thus carried.

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

Page 3—After line 22 insert subclause as follows:

(1a) The Minister shall give to the Company notice of any requirement made in pursuance of subsection (1) of this section.

Clause 5 (1) deals with the notice that the Attorney must give if he wishes to require divestment of shares. Subclause (1a) is an amendment to the effect that the Minister must give to the company notice of any requirement that he has insisted upon under clause 5 (1) when he has decided that a notice of divestment ought to be given to any shareholder or members of a group of shareholders. The new subclause is in the same vein as the earlier amendment that I moved to clause 3, namely, it keeps the company informed of the Minister's action.

The Hon. C. M. HILL: I support the amendment.

Amendment carried.

The Hon. C. M. HILL: I move:

Page 3, after line 22—Insert subclauses as follow:

(1a) A notice directed against a shareholder in pursuance of subsection (1) of this section as a member of a group of associated shareholders is not valid—

(a) if given within 14 days of the publication of a declaration under this Act in relation to that group; and

(b) where proceedings to set aside the declaration have been taken in pursuance of this Act—if given before those proceedings have been determined.

This amendment is consequential on the amendent to clause 3 that has been carried and it deals with the situation of the Minister's requiring investment of shares. When we amended clause 3, we gave a person the right of appeal to the Supreme Court. It is only proper that, during the 14-day period of publication of the Minister's declaration and during the proceedings of such court, a declaration by the Minister requiring divestment should not be valid. The amendment achieves that.

The Hon. C. J. SUMNER: The amendment is consequential on amendments to clause 3. We opposed those amendments, and we oppose this one.

Amendment carried; clause as amended passed.

Clause 6—"Voting rights at general meetings of the company."

The Hon. C. M. HILL: The amendments I have on file deal with the voting rights approach which the Opposition canvassed during the second reading debate. Honourable members will recall that the method by which the Opposition proposed to exercise control over substantial shareholders originally was not to limit the number of shares they could hold but to limit the voting rights of those shareholders within general meetings. As the Committee did not accept the optimum figure of 37·5 per cent as a single holding and continued with the Government's approach of limiting shareholdings to 15 per cent, there is no point in my proceeding with that part of the amendment. If there is a need for that, the Government's proposal automatically included the number of shares, and the voting rights in that 15 per cent, whereas it was the Opposition's intention to limit the 37·5 per cent optimum number of shares but to limit the voting

rights to 15 per cent of a substantial shareholder, that is, 15 per cent of votes recorded at any meeting. Because of the result of an earlier amendment, I will proceed only with the amendment to lines 11 to 17.

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

Page 4, lines 8 to 10—Leave out paragraph *(b)* and insert paragraph as follows:

(b) the voting rights of a group of associated shareholders shall be divided amongst the individual members of the group in the proportion that the number of shares held by each bears to the total number of shares held by all the members of the group.

My amendment provides for a proportionate power in the voting rights of any group of associated shareholders if they have been declared as a group of associated shareholders.

Amendment carried.

The Hon. C. M. HILL: I move:

Page 4, lines 11 to 17—Leave out subclauses (2) and (3).

Subclauses (2) and (3) should now be omitted because the matter has been rewritten in the amendment passed earlier when the Committee inserted, in clause 3, new subclauses (1a), (1b), (1c), (1d), and (1e).

The Hon. C. J. SUMNER: This amendment is consequential to the amendments to clause 3 to which the Committee has already agreed. We oppose also the consequential amendment.

Amendment carried; clause as amended passed.

Clause 7—"Annulment of resolutions of company."

The Hon. C. M. HILL: I intend to oppose the whole clause. Mr. Chairman, should honourable members deal first with the Attorney-General's amendment or with the whole clause?

The CHAIRMAN: We will deal with the Attorney-General's amendment first.

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

Page 4, after line 25—Insert subclause as follows:

(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.

This clause deals with the Minister's power to annul any resolution of a general meeting of the company that has been passed as a result of admission of votes that should not have been admitted, because of the provisions of this Bill. Alternatively, if the resolution is contrary to the public interest, the Minister may annul that resolution by publishing a notice in the *Gazette*. New subclause (1a) provides that that notice in the *Gazette* must be published within one month of the date of the resolution to which it relates. In other words, it places an obligation on the Minister, if he wishes to annul a resolution of the company, to publish a notice of annulment within a reasonable period.

The Hon. C. M. HILL: I seek your ruling, Mr. Chairman. If this amendment is carried, I take it that honourable members will be given an opportunity to accept or reject the whole amended clause.

The CHAIRMAN: The Attorney-General's amendment may meet with some approval inasmuch as it may improve the clause, in the opinion of some honourable members. We will vote on the Attorney-General's amendment first, and then we will deal with the amended clause, if the amendment is carried.

The Hon. C. M. HILL: The amendment improves the clause, although I hasten to say that I strongly oppose the clause, even in its amended form.

Amendment carried.

The Hon. C. M. HILL: I oppose the clause, as amended. A Bill of this kind should never have in it a clause like this. We are dealing with the power of the Minister to annul any resolution of a general meeting of the company if he believes that that resolution has been passed by votes which should not have been admitted.

It also gives him power to annul a resolution of a general meeting of the company that is contrary to the public interest. The power that the Minister will obtain from this clause is completely unreasonable. It would be possible for him to interfere in decisions made at a general meeting, decisions made properly by shareholders who have their funds invested in that company. They would not know when they left the meeting, after having deliberately made certain decisions, whether or not those decisions would stand. This is a classic example of Big Brother. Surely 1984 is not here yet! The Committee should not accept this clause. If we start setting such precedents, where will it stop? I strongly oppose the clause.

The Hon. M. B. CAMERON: I also strongly oppose the clause. Following an annual meeting or an annual general meeting when the board had been brought to order by shareholders or where a no-confidence vote is passed in the board, the Minister could annul that. It could almost be a life-long protection for the people concerned if shareholders believe the directors are not doing their job. The Minister could prevent the election of new directors. It would be improper, but the power is there.

What is the reason for this provision? Not only have we been brought together at an earlier date to avoid the annual general meeting, but I accuse the Minister of trying to cut across not only the meeting that has been called but, if that happened to go the wrong way, of also saying that it did not happen because, "I have said it cannot happen." That is not on. How much trampling on shareholders does the Government intend? The general meeting to be called is denied the right to complain about this legislation and to direct directors. Even if directors are called to order by the meeting, the Minister can say it did not happen so that the directors can ignore the shareholders totally. I urge members to vote against this obnoxious clause.

The Hon. C. J. SUMNER: The Hon. Mr. Cameron is upset about this clause. I am not sure why, because it is not a unique type of clause in such legislation, as I indicated in the second reading explanation. The Queensland Voting Rights (Public Companies) Regulation Act, 1975, provides that the Governor-in-Council (effectively the Minister or the Government) can declare all resolutions passed at a meeting to be of no effect, so that the company is restored to the position that existed immediately prior to that meeting.

He can do that if he is of the opinion that there was an agreement between two or more shareholders as to the manner in which votes were to be cast. In other words, if there were a group of shareholders getting together to effect a takeover, there are provisions in Queensland legislation similar to what the Government is trying to introduce in this Bill not only to annul all resolutions but also to declare the meeting to be of no effect.

The Hon. M. B. Cameron: Are you supporting the Queensland Government?

The Hon. C. J. SUMNER: Honourable members say that I am supporting the Queensland Government. I am merely drawing their attention to this section of that Act passed in 1975 for the specific purpose of regulating take-overs by non-Queensland companies. I am drawing the Committees attention to it, because Mr. Bjelke-Petersen is supposed to be of the same political ilk as honourable members opposite. He has been championed around the country as one of the greatest proponents of free enterprise in the nation, but he has found it necessary to include such a provision. Also, the situation existed in Victoria in relation to the proposed take-over of Ansett by

T.N.T. where a substantial shareholder in Ansett Transport Industries could not exercise his vote in that company without the prior consent of the Minister. Again, it is a strict clause but in similar vein to the one that the Government seeks to introduce into this Bill. This clause is not unique. It is not a socialist plot on the part of the Government. It is a clause that follows the example set by the so-called free enterprise States of Queensland and Victoria.

The Hon. J. C. BURDETT: I oppose the clause for the reasons adequately outlined by the Hon. Mr. Hill. I am not at all impressed by the fact that the Attorney's hero, Mr. Bjelke-Petersen, in another State and in other circumstances has inserted a particular provision. I listened to the debate in the other place, and the Deputy Premier was obviously concerned about clause 7 (1) *(b)*. He maintained that clause 7 (1) *(a)* was necessary, but he said that perhaps he could reconsider clause 7 (1) *(b)*, which provides for a very arbitrary action by the Minister. The Deputy Premier has expressed some doubts about it and, until he resolves them and reconsiders it, I oppose the clause.

The Hon. M. B. CAMERON: The Attorney-General carefully avoided answering the question I put to him. What is the intention of the Government regarding resolutions to be moved at the special meeting of Santos shareholders? I accused the Government of merely putting in this provision so that it could annul the resolutions of the meeting and thus further protect the directors of Santos who are supporting the Government. They will not be able to tell the shareholders, "I know you are telling the directors one thing, but they do not have to take any notice because I have said it did not happen." Following the meeting of Santos at which certain resolutions are to be moved, if those resolutions are moved by the shareholders (the owners of the company, the people who have been ignored by this legislation and refused the right of a Select Committee by the Government), will the Minister annul the resolutions of the meeting?

The Committee divided on the clause as amended:

Ayes (9)—The Hons. D. H. L. Banfield, F. T. Blevins, B. A. Chatterton, 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. T. M. Casey. No—The Hon. R. C. DeGaris.

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

Clause as amended thus negatived.

Clause 8 passed.

New clause 9—"Immunity of company and its officers from certain liability."

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

After clause 8 insert new clause as follows:

9. No liability attaches to the Company, or any director, officer or auditor of the Company for anything done in good faith and in compliance, or purported compliance, with the provisions of this Act.

This is not a particularly significant clause and should not arouse any great controversy. All it does is give to officers of Santos immunity from an action in tort, for instance, should they do anything in good faith in compliance with the legislation.

New clause inserted.

New clause 10—"Act to bind the Crown."

The Hon. C. M. HILL: I move:

After clause 9 insert new clause as follows:

10. This Act binds the Crown.

We have this argument in this place from time to time, mainly because members on this side believe in open Government and are prepared to back that up, whereas the Government says it believes in open Government, but when we try to bind the Crown in legislation which comes through this Chamber it backs off. The Government is not prepared to accept that there is a modern and very proper trend in legislation throughout the Western world towards open Government. If it is good enough for the law to affect an individual, an institution, a company or a group within society, it should be good enough for the law to bind the Government.

The Hon. J. E. Dunford: When you were in Government, did you do it?

The Hon. C. M. HILL: Yes, we supported it.

The Hon. J. E. Dunford: Did you do it?

The Hon. C. M. HILL: Yes, we did. It is not good enough to have one law for the people of this land and another for the Government. It is about time that the Government threw off this cloak of secrecy and was prepared to come out into the fresh air amongst the community and say, "We stand by you side by side and we are all bound by the one law."

The Hon. J. E. Dunford: The Bill is all about that—standing by the people.

The Hon. C. M. HILL: I am making that specific point, and I am asking honourable members opposite whether they are prepared to support the thesis that the Government and the people should all be bound by the one law, or do you want to continue with the archaic and hidebound practice whereby the Government is not bound by the laws it makes for the people? The Government says it is proper that it, as Big Brother, should make laws under which citizens of this State must live. However, when it comes to the Government's being bound by those same laws, it has nothing to say. That principle is entirely wrong. Apart from that general principle in this legislation, there is the usual question whether or not the Government intends to aim towards State ownership of this particular operation.

It is the Government's aim to nationalise, and I back up that statement by repeating the item within the Labor Party's State platform, by which Government members are bound. Under the heading "Mineral and energy resources", it states:

Ensure maximum State ownership of South Australian minerals and energy ventures.

What can be clearer than that? Government members must be aiming at State control of this operation. If the Crown is bound by this law, its ownership cannot exceed the 15 per cent to which the Government is binding any other shareholder. The Government would show its good faith if it said that it was not interested in State control and that it would not nationalise. It should be willing to back up its claims by agreeing not to exceed the shareholding of any other shareholder.

These arguments are clear and simple, and it is up to the Government to show its good faith by agreeing to this provision. There is nothing wrong with the Government's doing this. It cannot be endangered in any way, as there are no problems that Governments sometimes fear when this type of legislation is being considered. The clause will merely ensure that the Government will not be able to acquire a holding in excess of any other single holding within the Santos company. It is important that that situation should obtain, so that the public's mind can be

put at rest.

The Hon. C. J. SUMNER: I was a little taken aback by the Hon. Mr. Hill's foray into the question whether the Bill should bind the Crown. I thought that we decided that matter hours ago when debating clause 2. Clearly, however, the Hon. Mr. Hill feels so deeply about the matter that he has seen fit to re-traverse all the arguments raised earlier. However, I will not respond again as I did in relation to clause 2.

Earlier, it was asked whether the Government could acquire shareholdings beyond the amount specified in the Bill, without any legislative authority. I said my impression was that it could not. True, the charter of the Pipelines Authority of South Australia would be sufficiently broad to enable the Minister to acquire shares, but to do that would require an authorisation from Parliament in the Loan Budget, so the matter would come before Parliament in that way.

The Hon. M. B. Cameron: We can't disallow a Loan appropriation.

The Hon. C. M. Hill: What about a Governor's warrant?

The Hon. C. J. SUMNER: A loan could be raised by the Government on a temporary basis, but that loan would have to come before Parliament subsequently in a Public Purposes Loan Bill. Clearly, there would have to be some Parliamentary warrant for any acquisition that the Pipelines Authority of South Australia made.

New clause inserted.

Clause 1—"Short title"—reconsidered.

The Hon. C. M. HILL: In view of what has happened to the Bill in Committee, I will not proceed with what I had intended about this clause.

Clause passed.

Title passed.

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

That this Bill be now read a third time.

The Hon. M. B. CAMERON: I do not want to let this opportunity pass without expressing my total opposition to the Bill as it has come out of Committee. I am also bitterly disappointed that this Council has passed a Bill that will have a deleterious effect on one individual and one corporation. Today is a sad day for this place. This is not the first time that I have spoken on a matter of this kind: I recall that the most recent time was in relation to the South Australian Gas Company, when I said that before long we would be dragged back to Parliament to protect another South Australian industry.

The Hon. N. K. Foster: What's the next one?

The Hon. M. B. CAMERON: You will have to tell me that, because you must have something in mind. What I said would happen has happened, despite statements at that time that it would not. We have passed a Bill that is totally unfair to one person and one corporation because the Minister did not carry out his job. As he said, he had made a terrible mistake. That can be interpreted to mean that he did not carry out his job as a Minister. As a result, these people have been put to much trouble and are being accused of all sorts of things. The Minister is seeking to smear them.

The Hon. N. K. Foster: That's not true.

The Hon. M. B. CAMERON: It is. He is justifying his mistake by taking these people on, and that is totally unfair and unwarranted. I am betterly disappointed that the Bill has been passed, with the support of members of my own Party. I will not call for a division on the third reading, but I want to record the fact that I do not support the Bill. When it comes back from conference, I may say more.

The Hon. J. A. CARNIE: This is one of the sorriest days in the South Australian Parliament, with the full power of Parliament having been brought to bear against one man who has done no wrong. None of the speakers from the Government side has been able to prove that the Bond Corporation intended, as one honourable member said, to rape Santos.

The Hon. C. J. Sumner: It is not financially in good shape.

The Hon. J. A. CARNIE: There was no really sufficient proof of that. I am not supporting Mr. Bond, but I am supporting a principle.

The Hon. J. E. Dunford: We're supporting South Australia, the electors—

The Hon. J. A. CARNIE: Mr. Bond and the Bond Corporation nine months ago properly and legally bought the shareholdings of Burmah Oil. I agree that Burmah Oil acted improperly.

The Hon. J. E. Dunford: Burmah broke an undertaking.

The Hon. J. A. CARNIE: That is not worth answering. I spoke strongly this afternoon against the Bill, and lost. The Chamber passed the second reading, and I accepted that. I supported the amendments moved, which meant that the Bond Corporation did not have to be divested of shares it had properly and legally bought, but that its voting rights would be reduced to 15 per cent. Why is the Government so adamant about this matter? Why does it want the Bond Corporation to be stripped of shares, when the voting rights would be only 15 per cent? The Bond Corporation could not control Santos with 15 per cent of the vote, and the Government knows that. Why is there a vendetta against the Bond Corporation? Would the Government have done the same thing if B.H.P. had bought the Burmah shares? That would be interesting to know, because B.H.P. is not a South Australian company. Like the Hon. Mr. Cameron, I am disappointed that, because of the voting on this side of the Chamber, this man is being stripped of between 10 000 000 and 11 000 000 shares, probably at a loss.

The Hon. N. K. Foster: He hasn't paid anything yet. He's betting on the nod!

The PRESIDENT: Order!

The Hon. J. A. CARNIE: He is paying interest. I am disappointed that this has happened, but it is one of the facts of political life. I am totally opposed to the Bill, and I hope the Government does not intend to introduce any further legislation of this kind.

The Hon. N. K. FOSTER: In supporting the Bill, I take a point against the two previous speakers, who continually implied, by continually reminding the Chamber, that they considered that Mr. Bond or the Bond Corporation acted legally in buying these shares. History has been made in the past few hours in this Chamber, and I think it has been made responsibly. It has been made within the terms of the Constitution and of an understanding, and it is an accepted responsibility not only on the part of the Government but also of those honourable members who have seen fit not to be guided emotionally as regards this matter.

I do not want to repeat the words expressed by the Hon. Jessie Cooper this afternoon, but they were very well made. I want it placed on record that I think this is to the credit of the Chamber. I have said previously that the Chamber has no place in the democratic structure of South Australia. I do not think that it has gone far enough that I would change my mind on that score: I will change my mind only when the people of South Australia have expressed a right not yet afforded to them. As long as we have honourable members elected to the Chamber on

restricted franchise, I will not take the step of saying that the Chamber is becoming enlightened at the end of the twentieth century.

A great stride has been taken today in the interests of the people of South Australia. There has been no vendetta against any one man, and there is no basis for the Opposition's suggestion that this Bill is similar to what has been called the "Get Warming" Bill. Actually, that Bill dealt with a fellow who was seeking to escape his taxation responsibilities, and Opposition members flew to his defence. This Bill deals with an industrial and domestic lifeline which was at risk.

The Hon. M. B. Cameron: The Minister put it at risk.

The Hon. N. K. FOSTER: The Minister did not do that.

The PRESIDENT: Order! The question is that this Bill be read a third time.

The Hon. N. K. FOSTER: The Opposition's only criticism of the Minister is that he did not act in December as he acted in May, but that criticism is not valid in the light of what was known in some respects last December in comparison with what has become evident in the last few weeks. I commend the Bill to the Council, and I deplore the defeatist attitude of some members opposite.

Bill read a third time and passed.

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

That Standing Orders be so far suspended as to enable the Clerk to deliver messages on the Santos (Regulation of Shareholdings) Bill to the House of Assembly when this Council is not sitting.

If this motion is carried, we will be able to commence tomorrow's sitting at 11 a.m. instead of 10.30 a.m. I am sure that, after their hard day, honourable members will support this suspension of Standing Orders.

Motion carried.

ADJOURNMENT

At 11.3 p.m. the Council adjourned until Thursday 31 May at 11 a.m.