**WHEAT INDUSTRY STABILIZATION BILL 1954**

**Legislative Assembly, 18 November 1954, pages 1433-4**

Second reading

The Hon. A. W. CHRISTIAN moved:—

That the Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole for the purpose of considering the following resolution:—That it is desirable to introduce a Bill for an Act relating to the stabilisation of the wheat industry.

Morion carried.

Resolution agreed to in Committee and by the House. Bill introduced and read a first time.

**The Hon. A. W. CHRISTIAN (Minister of Agriculture)—**I move:—

That this Bill be now read a second time.

It proposes to repeal the Wheat Industry Stabilisation Act, 1948-1953, and to substitute other provisions for the purpose of carrying into effect the new scheme of orderly marketing and price stabilization recently accepted by the Australian wheatgrowers. It would have been possible to provide for the new scheme by amending Bills making a number of amendments to the existing legislation of the Commonwealth and States. The Commonwealth Government, however, came to the conclusion that in the interests of simplicity and uniformity it was preferable to have new Acts. A new Commonwealth Act has already been introduced and passed by the Federal Parliament and as it is highly desirable that all the legislation under which the Wheat Board obtains and markets wheat in the various States and Territories should be uniform, the State Government has agreed to fall in line with the Commonwealth and to propose the repeal of the existing legislation and the passing of a new Act which, as far as possible, will be similar to the Acts in all the other States.

Honourable members are, of course, familiar with the results of the poll on the new plan. The total vote was 46,584 in favour of the plan and only 2,934 against it. In these circumstances the Commonwealth has decided to bring its legislation for carrying out the plan into force as soon as the States pass Bills for the same purpose, or satisfy the Commonwealth Government that they will do so. The details of the new plan are now well known, but I will remind honourable members of the main outlines. The plan provides for the continuance of orderly marketing by the Australian Wheat Board for five years commencing from last season, and for a Commonwealth price guarantee to operate during the same period. The guarantee will ensure a return to the growers of the cost of production in respect of not more than 100,000,000 bushels of wheat exported from Australia in each year covered by the plan. A price stabilization fund will be built up by means of a wheat export tax not exceeding Is. 6d. a bushel. The fund will be a circulating one in the sense that when it reaches £20,000,000 repayments of excess accumulations will be made to the growers. If the proceeds from exported wheat fall below the cost of production, the money in the fund will be used to raise the proceeds from not more than100 000 000 bushels of wheat exported from Australia up to the cost of production. If the fund should be insufficient for this purpose any additional money required will be paid by the Commonwealth Government out of revenue.

While the Commonwealth thus guarantees the export price, the plan provides that the States will fix the home consumption price at a figure not less than the cost of production. Subject to the general rule that the home consumption price must not be below the cost of production, the State legislation is to provide that the price for wheat sold for consumption in Australia for domestic purposes and for pigs, poultry and dairy stock will be 14s. a bushel in bulk f.o.r. ports. If, however, the International Wheat Agreement price or, in the event of no such agreement being in force, the export parity price at the commencement of any season should be less than 14s. a bushel then the home consumption price will be equal to the International Wheat Agreement or export parity price (as the case may be) provided always that it is not lower than the cost of production. The scheme also provides for a premium of threepence a bushel on wheat exported from Western Australia. This is a recognition of the freight advantage which Western Australia derives from being nearer to the principal overseas markets. Provision is also made for the Wheat Board to pay the cost of transporting wheat from the mainland to Tasmania in each season.

The Bill contains the provisions necessary to carry the new plan into effect. A good deal of it is on the same lines as the existing legislation but I will give a short explanation of the clauses. Clauses 1 to 5 contain the usual preliminary matters such as the commencement and interpretation of the Act, and provisions for the repeal of the existing legislation. I draw attention to clause 3, subclause (4) which makes it clear that last season’s wheat will come under the provisions of this Bill and that payments for that wheat, after taking into account any advances already made, will be made in accordance with the provisions of this Bill. I would also draw attention to the definition of “cost of production” in clause 4. This is an important definition because it determines what is to be the guaranteed price, and the lowest possible home consumption price, throughout the life of the scheme. As regards last season’s wheat it is 12s. 7d. a bushel. As regards future wheat it is the amount determined in pursuance of the provisions of the Commonwealth Act by the Federal Government after consultation with the appropriate Minister in each State. It is, of course, well known that the Commonwealth Government has the assistance of expert agricultural economists to assist it in determining the cost of production.

Clause 6 provides for a continuance of the existing system of licensing receivers to receive wheat on behalf of the board. Clause 7 sets out the general powers of the board which are substantially the same as under the old Act. The power of the Commonwealth Minister to give directions to the Wheat Board is retained, but more clearly expressed. A similar clause is in the Commonwealth Act and was specially dealt with by the Commonwealth Minister in the Federal Parliament. He said that the Commonwealth Government had no intention to use the clause so as to open the way to Commonwealth interference in the wheat selling operations of the board; but it was obvious and the Wheatgrowers Federation had been informed that as the Commonwealth Government had guaranteed the price of wheat from public revenue, then, in the interests of the taxpayers generally, the Government could not be indiffer­ent to the price at which the board might be selling wheat at some particular time or to some particular market. There appears to be some force in this argument. Clauses 8, 9 and 10 contain provisions for ensuring that farmers will deliver their wheat to the Wheat Board for sale. There is no change in the substance of these clauses.

Clauses 11 and 12 deal with the calculation and payment of the price of wheat to the wheatgrowers. These are, in general, similar to provisions now in force but have been amended to make them, harmonize with the provisions of the Commonwealth legislation as to the wheat export charge and as to the Commonwealth guarantee. The clauses also for the payment of the premium of 3d a bushel on wheat exported from Western Australia and for a deduction from the proceeds of wheat sold in Australia to pay the freight on wheat, shipped to Tasmania. Subject to these arrangements the existing pooling system will be retained. Clause 13 is a machinery provision to ensure that when the old season’s wheat is delivered to the board that fact will be declared by the wheatgrowers to the board’s officers. Clauses 14, 15 and 16 are machinery provisions, to assist the board in the administration of the Act.

Clause 17 provides for determining the home consumption price on the lines which I have already explained and requires the board to sell wheat for consumption in Australia at that price. Clause 18 requires the board to keep the money deducted for freight to Tasmania in a special account. If there should be a surplus in this account at the end of any season the board is required to apply it for the benefit of the wheat industry in such manner as the Commonwealth Minister, after consultation with the appropriate Minister of each State, directs. Clauses 19, 20 and 21 are machinery clauses dealing with offences, regulations and other ancillary matters. Clause 22 sets out the duration of the scheme by declaring that the Bill will not apply to wheat harvested after September 30, 1958. There are, of course, a number of minor technical details dealt with in the Bill which I have not specifically mentioned; but if any honourable member should .desire information on these I will be pleased to make it available in Committee.

Mr. O’HALLORAN secured the of the debate.