**BULK HANDLING OF GRAIN ACT AMENDMENT BILL 1969**

**Legislative Council, 6 November 1969, page 2788**

Second reading

**The Hon. C. R. STORY (Minister of Agriculture):** I move:

*That this Bill be now read a second time.*

Honourable members will not be unaware of what may be called a crisis in the wheat industry resulting from the large harvests of last season and certain marketing difficulties that have given rise to a large “carry over” of grain in storage. To meet this situation representative wheatgrowing organizations proposed a scheme of restriction of wheat deliveries by allocation of quotas, and this scheme was agreed to by the State and Commonwealth Governments.

In essence, the scheme involves a limitation of the amount of wheat that will be accepted by the board that will attract the first advance payment of $1.10 a bushel. Of the amount, this State is entitled to deliver 45,000,000 bushels. This Bill is the first and most important of three measures designed to give legal effect to the scheme and, in order that its implications may be fully understood, the legislative framework of orderly wheat marketing should be outlined.

The marketing authority for wheat produced in this country is the Australian Wheat Board which, as far as this State is concerned, relies on two interlocking Acts, the Wheat Industry Stabilization Act of the Commonwealth and an Act of the same name of this State. For constitutional reasons it is necessary to have both Commonwealth and State legislation in this field. For all practical purposes the board is the only authority which can, under the law, engage in wheat marketing. It follows, then, that until 1968 it was obliged to accept all wheat delivered to it, since for practical purposes it was only by delivery to the board that the farmer could receive a financial return for his wheat.

The Australian Wheat Board does not in this State physically handle the wheat delivered to it but operates through a licensed receiver, South Australian Co-operative Bulk Handling Limited, a grower-controlled co-operative. It is obvious that if the licensed receiver were compelled to receive all wheat offered for delivery the scheme of restricted deliveries proposed by the growers and accepted by the State and Commonwealth Governments just would not work, and chaotic marketing conditions would ensue.

When the life of the Australian Wheat Board was extended by the Commonwealth and State Wheat Industry Stabilization Acts in 1968, this situation was recognized and it was made clear that delivery of wheat was not effective unless and until it was accepted by the licensed receiver, and specific recognition was given to State legislation to regulate or refuse such deliveries, the relevant sections being section 19 of the Commonwealth Act and section 12 of the State Act. This short Bill seeks to confer on South Australian Co-operative Bulk Handling Limited the absolute power to refuse to accept deliveries of wheat during the season that commenced on October 1, 1969, and during any other season that is a quota season—that is, a season in which it is necessary to restrict deliveries. This power will enable the company to ensure that the only wheat that comes into the system will be wheat delivered in accordance with the quota arrangements.

I have no hesitation in asking this Council to confer this power on the company which, as I have mentioned, is a grower-controlled organization, is fully seized of its most important duty in this matter and realizes that a breakdown in the quota system would affect the economic survival of the wheatgrower. It may be helpful here if I inform the Council of the progress made in the allocation of wheat delivery quotas. Shortly after the scheme was formulated by the wheat industry representatives, the Government appointed a committee comprised of eight persons nominated by the grains section of the United Farmers and Graziers, a representative of the Australian Wheat Board, a representative of South Australian Co-operative Bulk Handling Limited and a representative of the Agriculture Department, and charged this committee with the task of allocating farmers quotas from the amount available for allocation.

In all, this committee has considered between 11,000 and 12,000 applications and will be in a position to send out its quota certificates by the middle of November. When this Bill is passed, farmers will be able to deliver wheat secure in the knowledge that the basic legal framework of the quota system has been established. In the immediate future I shall place before the Council two further measures intended to give effect to the scheme. They will be (a) a Bill to amend the Wheat Industry Stabilization Act of this State that will show how wheat delivered under the scheme will be dealt with by the board and will also make provision for certain sales on the domestic market; and (b) a Bill that will set out in detail the factors the committee took into account when it fixed the farmers’ quotas and will provide for a review committee to which appeals against allocations may be addressed.

The Hon. A. F. KNEEBONE secured the adjournment of the debate.