**BARLEY MARKETING ACT AMENDMENT BILL 1980**

**Legislative Council, 28 February 1980, page 1318**

Second reading

The Hon. J. C. BURDETT (Minister of Community Welfare): I move: That this Bill be now read a second time. It is designed to deal with a question that has been raised in relation to the marketing of oats. Section 14aa of the principal Act makes it obligatory for growers to sell their oats to the board, subject however to the exceptions outlined in subsection (2) of that section. Subsection (2)(f) permits a direct sale between a grower and a purchaser “where the oats are not resold . . . otherwise than in a manufactured or processed form”. The board has interpreted this provision as meaning that a grower can sell directly to a purchaser either where the purchaser processes the oats and resells them in the processed form or where the purchaser does not resell the oats at all, but simply purchases for his own consumption. Some doubts have been expressed about the correctness of this latter interpretation and the purpose of the present Bill is to put the matter beyond doubt. The Bill inserts a new paragraph in section 14aa(2) making it clear that a grower can sell oats directly to a purchaser where the purchaser buys the oats for his own consumption and not for resale. Clause 1 is formal. Clause 2 removes obsolete material from section 14 of the principal Act. Clause 3 amends section 14aa of the principal Act. The material amendment is the inclusion of new paragraph (g) which permits a grower to sell oats directly to a purchaser where the purchaser buys the oats for his own use and not for resale.

The Hon. B. A. CHATTERTON secured the adjournment of the debate.

**BARLEY MARKETING ACT AMENDEMNT BILL 1980**

Legislative Council, 4 March 1980, pages 1356-7

Adjourned debate on second reading. (Continued from 28 February. Page 1318.)

The Hon. B. A. CHATTERTON: I support this Bill, which amends the Barley Marketing Act to clarify the transactions in oats that are exempted from the Barley Board’s control. I said earlier, in my speech on the Wheat Bill, that the success of the Wheat Board has had the unfortunate effect of making it a model for the marketing of all agricultural commodities. The Australian Barley Board is modelled on the Wheat Board’s operation, and it works well, but unfortunately it covers only Victoria and South Australia. When I was Minister of Agriculture, I tried on many occasions to successfully conclude negotiations to have New South Wales come into the board, but this did not come to fruition. When I was approached to do something about the regulation of oat marketing in this State, I considered that the success of the Barley Board in marketing barley made it a likely avenue through which to market oats. However, when the procedure of marketing oats was investigated, it quickly became obvious to me that there were major differences between the two commodities which meant that a simple extension of the board’s powers would be inappropriate. I was reminded that, when I first became Minister of Agriculture in 1975, Parliament had passed an Act to establish an Oat Marketing Board which the Government had not proclaimed. The United Farmers and Graziers (as it was then) wanted the immediate proclamation of the Act, while the Stockowners Association and other farmers and merchant groups were opposed to a statutory board. It is interesting to speculate on whether this was one of the issues keeping the two producer bodies apart at that time. I was convinced that an Oat Marketing Board would be an impossible overhead cost for the oat industry to bear, whatever the rights or wrongs of statutory marketing, so I started discussions with the Barley Board to develop a means whereby it could extend its activities to oats. The other problem that had to be sorted out was the question of the domestic market, which, in the case of oats, can sometimes absorb all the South Australian crop. Obviously, barley or wheat-type marketing arrangements designed to handle a crop that is largely exported or purchased by a few large buyers would not do for oats. After a period of discussion with producer organisations, the merchants, and the Barley Board, I was able to negotiate a compromise which certainly satisfied the two producer organisations and the merchants. The board had some doubts about it, but I am pleased to say that the arrangements have worked well, and the board has found that the task of marketing oats was not as difficult as at first feared. This current amendment has arisen from the practical administration of the Act. The board felt it was important to put beyond doubt the way in which it has interpreted the “end user” of the oats on the domestic market. The other problem that has arisen is the question of the board’s responsibility to the domestic consumer. In the case of barley, it is quite clear. The board has responsibility for the whole crop, and it is only correct that it should give priority to the domestic market. With oats, the situation is different, as a large part of the domestic market operates quite freely outside the board’s control. The Government should consider whether the same obligations that the board has towards the domestic buyers of barley should be carried over unchanged to oats. After all, these buyers of oats from the board are also buyers of oats from farmers. This competition with the board means that the manufacturers cannot lose. They can compete against the Barley Board for supplies, and if they fail they can have first call on the board’s supplies. It may be necessary to require an option system, whereby a manufacturer can decide each year whether to work through the board or to act independently; but if he opts to act independently, the board is not obliged to disrupt its marketing arrangements to satisfy his shortfall. Finally, Mr. President, at the time that the amendments were made to the Barley Marketing Act to extend the powers of the board to oats it was given the power (but was not obliged) to trade in other grains. I have been very disappointed that the board has not used these powers, as I was sure that, with its international contacts in the grain trade and its existing shipping arrangements, it would be able to handle the export of such crops as lupins and field peas. The development of these crops is being hindered by the lack of organised and stable markets. The lack of markets is partly due to the lack of production, but the lack of production is partly due to the farmers’ uncertainty about a reliable market for the produce. I hoped that the board would use its considerable marketing skill to break this nexus and give growers of these and other grain crops a more predictable market and a relatively stable price structure. This has not happened, but I must congratulate the South Australian Seedgrowers Co-operative for the way in which it has stepped in, used its marketing skills, and arranged the export of about 7 000 tonnes of peas from Port Giles. It has been a difficult operation for the co-operative, as it did not have access to funds on the scale of the Barley Board, but it has done a very good job and deserves great credit.

The Hon. M. B. DAWKINS secured the adjournment of the debate.