**WHEAT INDUSTRY STABILIZATION BILL 1958**

**House of Assembly, 8 October 1958, pages 1128-30**

Second reading

**The Hon. D. N. BROOKMAN (Minister of Agriculture)** 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 Stabilization of the Wheat Industry.

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

The Hon. D. N. BROOKMAN—I move—

*That this Bill be now read a second time.* This Bill is South Australia’s contribution to the legislation required for the continuance of the Australian Wheat Board and the wheat price stabilization scheme. The scheme which has been in force for 10 years does not, in accordance with the terms of the present Act, apply to any wheat harvested after September 30 last. For some time discussions have taken place between Commonwealth and State Ministers in the Australian Agricultural Council and with representatives of the Australia Wheatgrowers Federation with regard to the continuance of the scheme, and decisions on this subject have now been made which are acceptable to the Governments concerned and to wheat-growers generally. It is proposed to extend the scheme for a further five years with only slight modifications.

The principles of the wheat marketing scheme are well known to Parliament and I need not explain them in detail. For the purpose of marketing the Australian wheat harvest, both locally and overseas, there is a Wheat Board established by Commonwealth law. By virtue of the powers conferred by the Commonwealth and State Acts the board takes control of substantially the whole of the Australian wheat harvest. It markets the wheat and pays the grower. The price stabilization scheme is carried out by means of legislative and administrative arrangements under which a price equal at least to the cost of production is guaranteed for 160,000,000 bushels of wheat a year. Commonwealth laws ensure that the guaranteed price will be received on up to 100,000 bushels of wheat exported, and the legislation of the States provides that wheat sold for consumption within the Commonwealth will realize not less than the guaranteed price. Local sales are about 60,000,000 bushels a year.

In order to continue the scheme it has been decided that a new Commonwealth Act will be passed concurrently with uniform State Acts. This course has been considered preferable to dealing with the matter by amendments of existing Acts. Amendments are more difficult to understand and make it more difficult to secure uniformity. I will mention the main matters dealt with in the Bill.

The Australian Wheat Board.—The Bill will be administered by the Australian Wheat Board which will continue in existence and be constituted in substantially the same way as previously. The only alteration proposed in the membership of the board is that Queensland, instead of having one member, will have two members, either of whom can sit upon the board as an alternative to the other. This arrangement will not give Queensland an additional vote. The provisions as to the duties of growers to deliver wheat to the board through the medium of licensed receivers have not been altered.

The home consumption price.—-The Bill provides that the board must sell wheat for home consumption or stock feed in Australia at the guaranteed price as fixed under the Commonwealth Act. For the coming season 1958-1959 this price is declared by the Commonwealth Act to be 14s. 6d. a bushel for bulk wheat free on rails at ports of export. This price was agreed upon by the Australian Agricultural Council and is recommended in the report of the Wheat Index Committee. This committee in its investigation considered the recent survey of the Commonwealth Bureau of Agricultural Economics.

The guarantee.—The guaranteed price for wheat sold overseas has also been fixed at 14s. 6d. Commonwealth legislation ensures a return of this amount on up to 100,000,000 bushels of wheat exported from the crop of 1958-1959. The guaranteed price in future years will be reconsidered from time to time in accordance with movements in the cost of production. In order to provide money for meeting obligations under the guarantee the Commonwealth legislation provides for the establishment of a Wheat Stabilization Fund consisting of the proceeds of a tax on exported wheat. The rate of this tax is the amount by which the return per bushel from wheat sold overseas exceeds the guaranteed price, but at no time will the rate be more than Is. 6d. a bushel. The balance in the old fund, which on May 31 was £9,100,000, is to be carried forward for a nucleus of the new stabilization fund. The Commonwealth law also contains provisions for ensuring that the Stabilization Fund will be kept down to approximately £20,000,000. If payments into the fund at any time should bring it above £20,000,000 the excess will be returned to the growers, those who paid into the fund earliest receiving the first distribution of the excess. If it should be necessary to find money in order to bring the export returns up to the guaranteed price, money will be drawn from the fund for this purpose. If there is not sufficient money in the fund, the Commonwealth Government will find the balance.

Freight to Tasmania.—The Bill contains a clause similar to that in the present Act under which the home consumption price of wheat is loaded to provide money for meeting the cost of transporting wheat from the mainland to Tasmania. This cost is at present a little over 4s. a bushel. Tasmania uses about 2,000,000 bushels of wheat a year, most of which is received from the mainland. If the price of wheat in Tasmania included the full transport costs it would be a serious burden and handicap to that State. In order to prevent this and to give Tasmania some benefit from the wheat marketing scheme, the principle was accepted in 1953 that the price of wheat sold for local consumption throughout the Commonwealth should be loaded so as to meet the cost of shipping wheat to Tasmania. The loading is at present 2d. a bushel.

Premium on Western Australian wheat.—The provisions by which Western Australian growers receive a premium of 3d. a bushel on the amount of wheat exported from that State are included in the Bill. This premium is paid out of a deduction from the total amounts realized by the Wheat Board for all wheat sold by it. The reason for the Western Australian premium is, of course, that Western Australia is nearer the principal overseas markets for wheat and has always enjoyed a better return, owing to the lower freight.

From what I have said it will be apparent that the Bill contains very little that is not already in the existing scheme. Its main object is to extend the scheme so that it will apply to the next five harvests. The Government believes that both the marketing arrangements and the price stabilization scheme have the approval of an overwhelming majority of the growers and has therefore no hesitation in asking Parliament to authorize their continuance.

Mr. O’HALLORAN secured the adjournment of the debate.