**WHEAT MARKETING (EXPIRY) AMENDMENT BILL 2013**

**Legislative Council, 2 May 2013, pages 3842-3**

Second Reading

**The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations):** I move:

That this bill be now read a second time.

The Wheat Marketing Act 1989 was enacted to regulate the marketing of wheat. It complemented the Commonwealth Wheat Marketing Act 1989 by conferring on the Australian Wheat Board functions in addition to those conferred on it by the Commonwealth act.

The South Australian Grain Industry Trust was established in 1991 to administer a trust fund that comprised the balance of voluntary research levies made redundant following the commencement of the commonwealth Primary Industries Research and Development Act 1989. The WM Act was amended in 1991 to allow the minister to approve the SAGIT trust deed for the purposes of establishing and controlling the application of the SAGIT fund and to provide for the collection of voluntary contributions to the SAGIT fund. The Wheat Marketing Regulations 1998 that promulgate the SAGIT trust deed expired on 1 December 2013 and under the Subordinate Legislation Act 1978 further extension was not possible.

The grains industry landscape has obviously changed dramatically since the WM Act commenced in 1989. Then state-based statutory authorities controlled grain storage and handling. Now the industry's grain storage and handling assets are primarily owned by public companies, with global grain marketing and processing interests. Domestic grain marketing controls were removed during the 1990s and passage of the Commonwealth's Wheat Export Marketing Amendment Act 2012 in November 2012 ended government regulation of export grain marketing.

As a result of these changes, there is now no reason to retain an act relating to the marketing of wheat. Repealing the WM Act will not impact on the SAGIT trust deed as it can stand alone. However, repealing the WM Act will impact on the collection of the voluntary contributions for grain research and development. When the WM Act commenced, there was no other state-based statutory mechanism that could have provided for the collection of voluntary contributions to the SAGIT fund.

However, the Primary Industry Funding Schemes Act 1998 (the PIFS Act) provides a superior mechanism for voluntary contributions because of the transparency and accountability obligation it imposes on the administrator of a fund (particularly with regard to the preparation of a management plan for the fund, prudential management of the fund and tabling of an annual report on the administration of the fund in each house of the South Australian parliament), also on collection agents and contributors. There is therefore no reason to retain the WM Act in order to collect contributions to the SAGIT fund.

Grain industry stakeholders have agreed to the collection of contributions moving from the WM Act to the PIFS Act and action to establish the PIFS Act grains research scheme has been initiated. The value of the grains industry's support for state-specific research and development to complement the national industry's investment via the Grains Research and Development Corporation should not be underestimated. Since 1993, SAGIT has invested $17 million in 162 projects. Matching contributions from other funders has doubled that investment, generating significant additional value for South Australian grain growers. Not surprisingly, there is almost unanimous grain grower support for the SAGIT arrangement as evidenced by the fact that the annual request for refunds are sought by a mere 0.001 per cent of contributors, which is quite remarkable given that it is a voluntary fund, so it shows real industry commitment.

To ensure that there is no interruption to the collection of contributions or the operations of SAGIT, the intention is to repeal the WM Act on the day the PIFS Act grains research scheme commences and that both occur prior to the expiration of the WM Regulations. I commend the bill to members and seek leave to have the explanation of clauses inserted in *Hansard* without my reading them.

Leave granted.