**WHEAT MARKETING ACT AMENDMENT BILL 1983**

**Legislative Council, 20 April 1983, pages 902-3**

Second reading

**The Hon. B.A. CHATTERTON (Minister of Agriculture**) obtained leave and introduced a Bill for an Act to amend the Wheat Marketing Act, 1980. Read a first time.

The Hon. B.A. CHATTERTON: I move: That this Bill be now read a second time.

It provides for certain amendments to the marketing and pricing arrangements applying to the wheat industry under the Wheat Marketing Act, 1980. The amendments are in conformity with uniform legislation which is to be applied in each State and provide an arrangement which is to apply for two seasons, being the 1982-83 and 1983-84 seasons. The Bill provides for the implementation of proposals put forward by the Australian Wheatgrowers Federation and the Australian Wheat Board and is principally aimed at improving the operational flexibility and efficiency of the Australian Wheat Board.

An important feature of the Bill is that the Australian Wheat Board will be able to operate on futures markets for hedging purposes, thus providing it with an accepted commercial facility in international grain trading. The board will also be able to do such things as offer growers optional arrangements for the payment to them of the guaranteed minimum price; transfer residual stocks from one season’s pool to another; redeliver wheat to contributing growers; and to provide for subsequent adjustment of provisional allowances and charges to individual growers to reflect actual costs and sales realisations for wheat delivered.

As I have said previously, the Bill is uniform legislation; most other States have already implemented corresponding legislation. The measure has considerable merit and should prove to be of great assistance to all persons involved in the production and marketing of wheat. It is noted that the previous Liberal Government, prior to the November 1982 election, had accepted this Bill in principle. Its introduction now is worthy of the full support of this Parliament. I seek leave to have the explanation of the clauses inserted in Hansard without my reading it. Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 provides that the measure is to come into operation on the same day as comparable Commonwealth legislation. Clause 3 defines ‘futures contract’ and ‘futures market’. Clause 4 empowers the Australian Wheat Board to enter into futures contracts for hedging purposes, subject to Ministerial guidelines established by the Commonwealth Minister under the Commonwealth Act. Futures contracts may only be entered into to minimise either risks arising from variable prices for wheat, or risks of variations in the cost to the board of borrowing or raising money.

Clause 5 amends section 16 of the principal Act by providing that advance payments made by the board by way of guaranteed minimum price may be made either as a lump sum, or by instalment. Each agreement to pay by instalment must be fair and equitable when compared to all other such agreements. Clause 6 amends section 17 of the principal Act, which deals with the final payment for the season which is made to the grower. The section prescribes the various matters which are to be taken into account when calculating the payment, and adjustments are also now required because of the establishment of a reserve account under the Commonwealth Act and the introduction of dealings in futures contracts. A new subsection (2a) caters for the situation where the grower has bought wheat back from the board. The final payment under this section is reduced by the amount that is debited to the grower on the re-delivery scheme. This provision avoids double counting.

Clause 7 inserts a new section 17a into the principal Act. The proposed new section provides for far greater accuracy when the board is determining, at the end of a season, what is owed to or owed by each individual grower. When an advance payment is made to a grower, several matters relevant to the real value of the wheat, and the state of the grower’s account with the board, remain unknown. These matters may vary considerably from grower to grower. The board will now be able to take these variables into account in each case and either credit a further payment to the grower, or debit any amount paid in excess.

Clause 8 provides amendment to section 18 of the principal Act which deals with payments relating to the last two seasons. The amendments are consequential to proposed amendments to section 16. Clause 9 relates to section 21, dealing with home consumption of wheat. Growers will be able to take re-delivery of wheat for use as stock feed on their farms, at prices determined by the board. Adjustments may be made to reflect the quality difference between wheat delivered by the grower and wheat delivered to him. A grower cannot take delivery of more wheat than the amount of wheat which he sent to the board. The final day for purchasing wheat is to be the final day on which wheat may be delivered to the board, or such other day that the Minister determines. The scheme shall not apply after the 1983-84 season, when principal sections of the Act are due to expire.

The Hon. H.P.K. DUNN secured the adjournment of the debate.