**WHEAT INDUSTRY STABILIZATION ACT AMENDMENT BILL 1979**

**Legislative Council 28 February 1979, pages 3061-2**

Second reading

**The Hon. D. H. L. BANFIELD (Minister of Health):** I move: That this Bill be now read a second time. This Bill has two main purposes. First, it introduces provisions into the principal Act to establish a varietal control scheme for wheat. Secondly, it alters the legal basis on which the board makes payments to State Bulk Handling Authorities in respect of storage and handling costs. The Australian Wheatgrowers Federation supports both proposals, and legislation giving effect to them has been, or is being, introduced in all States and by the Commonwealth. As members will be aware, the wheat industry stabilisation schemes are the subject of complementary Commonwealth and State legislation.

The present amendments, then, are substantially uniform with their Commonwealth and interstate counterparts. The proposed amendments are being made to the legislation governing the current wheat industry stabilisation plan, of which the 1978-79 season is the final year of operation. New legislation will be introduced later this year to cover arrangements which are to apply beyond the 1978-79 season, and it is anticipated, of course, that the matters with which this Bill is concerned will be incorporated in that legislation.

The Australian Wheatgrowers Federation and the Australian Agricultural Council accept the principle that homogeneity of a crop is an important determining factor in the Australian Wheat Board’s ability to sell grain competitively on the international market. Undesirable varieties of grain have a deleterious effect on the homogeneity of the crop and so affect its marketability. The scheme which this Bill proposes operates by allowing the Australian Wheat Board to make deductions from the price paid to growers for undesirable varieties of grain. The guidelines for the operation of the scheme were drawn up by the Australian Wheat Board in close collaboration with the Commonwealth and States.

Following the Commonwealth amendment, this Bill makes it possible for the board to make deductions in respect of wheat delivered in Commonwealth Territories and the States. The scheme will involve the prescribing of categories of wheat, fixed by reference to varieties, and the areas in which wheat is grown. The proposed amendments will empower the board to make deductions in respect of wheat varieties which do not comply with the varietal prescriptions for particular areas. In Commonwealth Territories the board will prescribe the categories; in the States, they will be determined by the appropriate Minister. It is not intended that deductions for varietal control will be actually imposed in respect of wheat of the 1979-80 season. However, the board will advise growers delivering unacceptable varieties that those varieties could be subject to deductions in future seasons.

As I have indicated, the Bill also alters the legal basis on which the board makes payments to the State Bulk Handling Authorities in respect of storage and handling costs incurred by them. The proposed modifications are designed, essentially, to facilitate State accounting in this area. At the present time, the administrative practice is that payments are made pursuant to agreements between the Commonwealth Minister for Primary Industry and each of the State Ministers responsible for agriculture.

It is now proposed that the board and the Bulk Handling Authorities be empowered to enter into agreements themselves. Hitherto, the costs of wheat handling and storage have been pooled on an Australia-wide basis. Under the proposed scheme this arrangement will no longer apply. Growers delivering wheat in each State will be charged a rate for storage and handling that reflects the costs of storage and handling to the Bulk Handling Authority of the relevant State.

Under the existing arrangements the board’s payment scheme provides for a special deduction of up to 92c a tonne to be subtracted from the price paid for wheat shipped out of Western Australia, reflecting the advantage accruing to that State from its relative proximity to some overseas markets. There has been agreement for the removal of the 92c ceiling in keeping with the principle which has been adopted in moving towards State accounting for bulk handling and storage costs. The reference to the ceiling has been removed from the Commonwealth Act; this Bill also removes the corresponding reference in the South Australian legislation.

Finally, the proposed amendments modify the regulation-making power to provide for the making of regulations which will be necessary upon the introduction of varietal control. The Bill also contains a minor amendment which will enable licensed receivers of grain to carry on operations through an agent. I seek leave to have the explanation of the clauses inserted in Hansard without my reading it. Leave granted.

Explanation of Clauses

Clauses 1 and 2 are formal. Clause 3 amends section 5 of the principal Act, which defines certain expressions occurring in the principal Act, by redefining “licensed receiver” to restrict that expression to State corporations (which are, in fact, the only licensed receivers in existence), and by inserting a definition of the term “State corporation” in which the names of the six State corporations are set out.

Clause 4 provides for several amendments to section 9 of the principal Act, which relates to licensed receivers. The amendments to subsection (1) are purely consequential on the new definition of “licensed receiver”; the remainder provide that a licensed receiver may carry on operations by means of an agent, that it may enter into agreements with the Australian Wheat Board regarding reimbursement of storage and handling costs and, finally, that licences held by State corporations immediately before the coming into operation of the proposed amending Act shall continue in force and shall not be cancelled or suspended without the consent of the State corporation.

Clause 5 amends section 13 of the principal Act, which sets out the procedure and system by which the Australian Wheat Board pays for wheat delivered to it. Among other things, the section sets out details of certain factors for which the board must make allowance when determining prices. These amendments contain the main substance of the proposals relating to varietal control, although other matters are also involved. The limitation on the special deduction applicable to Western Australian grain is removed from paragraph (b) of subsection (2) and paragraph (c) of that subsection is completely recast. Under the new paragraph (c) the Australian Wheat Board is required to make allowances inter alia in relation to prescribed categories of wheat, and the places at which that wheat was delivered, when computing the price to be paid for wheat.

In accordance with the Commonwealth legislation in this area, wheat delivered in Victoria or Western Australia is not subject to the new scheme, as it is understood that those States do not propose to implement varietal control for some time. The new paragraph also requires the Australian Wheat Board to make allowances in respect of payments made by the board to State Bulk Handling Authorities under the proposed scheme for reimbursement of storage and handling costs.

This clause also enacts new subsections numbered (2a), (2b) and (2c). The first of these provides for the determination of prescribed categories of wheat, and the second requires the South Australian Minister to make his determinations under the proposed subsection (2a) on the recommendation of the South Australian Advisory Committee on Wheat Quality. Subsection (2c) provides that the amended section 13 shall apply in relation to wheat of the season that commenced on 1 October 1978, and the wheat of every subsequent season.

Clause 6 recasts the regulation-making power to provide for the making of regulations consequential on the introduction of varietal control. In particular, these regulations may provide for the furnishing of returns by growers stating the varieties of wheat which they have sown or intend to sow, and also for the declaration of wheat varieties by persons delivering to licensed receivers.

The Hon. M. B. DAWKINS: I support this Bill, which has two main purposes: to establish a varietal control scheme for wheat and, secondly, to alter the legal basis on which the board makes payments to State Bulk Handling Authorities in respect of storage and handling costs. I understand that the Australian Wheatgrowers Federation supports both proposals and that the other States and the Commonwealth are preparing complementary legislation. The Minister has indicated that it is desirable to have less variation in varieties and a better general standard. Whilst one does not want too much control, it is suggested that specific varieties in suitable areas, as a result of recommendations for the various zones, will yield better in many cases than did the older varieties. Further, they will provide a more uniform article which can be sold overseas at better prices than was the case when there was considerable quality variation which we had in the f.a.q. situation, which was part of the wheat scene for many years.

The basis for marketing wheat has been the Australian Wheat Board, which has built up a very good reputation. Wheat payments take a long time; this is noticeable to people who grow other crops, particularly barley in South Australia and Victoria. It is possible for a barley pool to be completed within 18 months of harvest, whereas it often takes three or four years for the Wheat Board to complete payments from wheat pools. However, that does not detract from the very good job that the Wheat Board has done for a very long time.

It is suggested that in the scheme of endeavouring to improve the average standard of wheat the Wheat Board would be able to export and sell a better product more effectively on the export market. Growers should use new varieties, which have been constantly developed over the years, and which will bring a more uniform product for sale. In this regard, we must give due credit in this State to the Waite Agricultural Research Institute which, as honourable members know, embraces the Agricultural Faculty of the University of Adelaide, and also to the various Government farms that have either made some contribution in the development and breeding of wheat or have made contributions in upholding the standard of seed wheat made available to farmers for many years. I refer also to the Roseworthy Agricultural College for the very valuable work that it has done for the wheat breeding industry for a long time. The Waite Agricultural Research Institute has also made a remarkable contribution, not only for wheat but also in the development of an improved strain of barley. If we were to consider it in the short term, we might say that there have been losses on the part of the Waite Agricultural Institute and the Roseworthy Agricultural College. They should properly be related to improved yields of grain that have been forthcoming from those institutions, and this has made its mark over the whole State and beyond.

The legislation deals with the two main purposes that establish some form of control for wheat varieties and the legal basis on which the board makes claims to the State’s authority. Until now the running expenses of the State’s bulk handling authorities have been pooled by the Wheat Board and have become a cost on that specific pool. The legislation changes the system to that of State accounting and will improve the situation for South Australian growers, because they will not be called on to bear some of the heavy expenses and losses that have occurred in other States, particularly in the Eastern States. This State has a most modern and efficient bulk handling system, which reflects credit on the South Australian Bulk Handling Authorities. Although Western Australia has had the advantage over us for a number of years in setting up a bulk handling authority, I believe that our operation is now more efficient, and some losses have been incurred not only in the Eastern States but also in Western Australia. Under the previous arrangement, Western Australian growers were receiving a ceiling amount of 92c a tonne, because of their geographical advantage to markets. It is apparent to all members that Western Australia, being so far to the west, has a geographical advantage, and there have been variations to account for that in payments from the various wheat pools. The situation with State accounting will now mean that Western Australia’s geographical advantage will be the actual advantage that that State may gain by lesser transport costs and not from the ceiling of 92c, which was previously the case.

I do not wish to delay the passage of this Bill, which I believe is a good one, and I commend the Minister for introducing it. The improvement in uniformity, which will gradually occur as a result of this Bill, will mean that, as farmers will get to know that they have a discount on older, less effective varieties, they will not persist in growing those varieties. There will be improvement in quality and uniformity with more wheat being sold as a result of the improvement that will be implemented because of this legislation. I support the Bill.

The Hon. R. A. GEDDES secured the adjournment of the debate.