BULK HANDLING OF GRAIN ACT AMENDMENT BILL 1968

Legislative Council, 20 November 1968, page 2597

Second reading

**The Hon. C. R. STORY (Minister of Agriculture)** obtained leave and introduced a Bill for an Act to amend the Bulk Handling of Grain Act, 1955-1964. Read a first time.

The Hon. C. R. STORY: I move:

*That this Bill be now read a second time.*

It is intended to give South Australian Co-operative Bulk Handling Limited the power to rationalize the acceptance of deliveries of grain to its facilities. Honourable members may be aware that, owing to improved seasonal conditions, the estimated wheat deliveries this year will be more than 70,000,000 bushels, nearly twice the average deliveries over the past three seasons. It is not unlikely that the previous record delivery will be exceeded by more than 20,000,000 bushels.

At the moment about one-fifth of last year’s delivery, amounting to 5,000,000 bushels, is still in the silo system by way of carry-over. This carry-over, coupled with the expected record delivery, points to the need for some form of rationalized delivery system that will be fair to all producers. If this legislation is passed reasonably speedily, the co-operative has indicated that it will be possible to accept almost 75 per cent of the total of accurately estimated deliveries. This will ensure that every producer will get some immediate return for the bulk of his crop.

In form, the Bill grants the company the widest powers to rationalize deliveries since it is thought that considerable flexibility in planning is desirable, and the Government is confident that the company is sensitive to, and appreciative of, the true welfare of the producer. In addition, the company has been given, subject to the Barley Marketing Act, 1947-1967, some powers necessary to rationalize barley deliveries.

The Bill gives to the co-operative the right to implement a scheme that it will put into operation, and it will be in the hands of the directors. I have a letter from the United Farmers & Graziers of S.A. Incorporated dated November 14, 1968, which reads:

I desire to inform you that the grain section of the United Farmers & Graziers of S.A. met in Adelaide this day and held a long discussion on the question of rationalization of deliveries of wheat in bulk to the S.A.C.B.H. for this season, and the following resolution was carried:

That the grain section of the U.F.G.S.A. requests the Minister for Agriculture to amend the Bulk Handling of Grain Act to enable S.A.C.B.H. to regulate deliveries of grain into the silo system in the interests of growers as a whole.

I am therefore instructed to request you to give effect to the above resolution by bringing down an amendment to the relevant Act as quickly as possible. I feel certain that you would appreciate the reason for the urgency in this matter, as growers have already started delivering wheat into the silo system.

The reasons for the amendment are that a fairly large section of growers who are in the later grain maturing areas will find that the silos in their localities have been filled by the earlier districts, and consequently these unfortunate growers will not be able to deliver their wheat into the silo system and would therefore be unable to receive the $1.10 first advance on their wheat; this could prove to be very embarrassing to these farmers. You are aware that wheat must be delivered to the licensed receivers of the Australian Wheat Board before they can receive their first advance. I am also to say that the grain section believes that this would be the most equitable way of protecting the interests of all growers in South Australia. I feel sure that, on consideration, you will see the logic of our request, and I trust you will give favourable consideration to this matter by bringing down the amendment to the Act next week. Thanking you in anticipation of your favourable co-operation,

Yours faithfully,

(Sgd.) T. C. Stott, M.P.,

General Secretary

I have also received a letter (an unsolicited testimonial) from the General Manager of the South Australian Co-operative Bulk Handling Limited, which reads:

Rationalization of bulk wheat deliveries: Following many individual requests from growers, we have now received a letter from the United Farmers and Graziers of S.A. Incorporated advising that the following resolution was carried at a meeting of the grain section of that organization on November 14, 1968:

That the grain section of the U.F.G.S.A. requests the Minister for Agriculture to amend the Bulk Handling of Grain Act to enable S.A.C.B.H. to regulate deliveries of grain into the silo system in the interests of growers as a whole, and that the General Manager of S.A.C.B.H. be also notified of this resolution.

We understand that the United Farmers and Graziers of S.A. Incorporated also wrote to you on November 14, 1968, advising that the following resolution was carried:

That the grain section of the U.F.G.S.A. requests the Minister for Agriculture to amend the Bulk Handling of Grain Act to enable S.A.C.B.H. to regulate deliveries of grain into the silo system in the interests of growers as a whole.

This authority in the limited time available, has discussed with you the procedures proposed to be adopted to enable all wheatgrowers in the State to deliver with a minimum of delay 75 per cent of their expected wheat deliveries, season 1968-69, in bulk into the silo system. Our board of directors, at a special meeting on Friday, November 15, 1968, approved the implementation of the proposed scheme, subject to your support, by the urgent introduction of enabling legislation into State Parliament. We would appreciate your action, therefore, in the support of this proposed legislation and its urgent introduction into State Parliament as soon as possible.

Yours faithfully,

(Sgd.) P. T. Sanders,

General Manager

As soon as I received those letters I went to Cabinet and obtained permission to give notice yesterday (the first day possible) that I would introduce this legislation. Honourable members will remember that the Hon. Mr. Geddes asked a question three weeks ago about rationalization of deliveries of grain, and at that time it was not envisaged that this scheme could be implemented. However, in the meantime the Hon. Mr. Whyte, some honourable members from another place, and a number of grain producers have spoken to me on this matter, and they have been in touch with zone directors of the co-operative as well as with officers of the United Farmers and Graziers of S.A. Incorporated.

In commending the Bill to honourable members, I wish to comment especially on several points. First, it will be necessary for the Stabilization of Wheat Bill, which left this Chamber yesterday, to be passed by another place and then assented to by His Excellency the Lieutenant-Governor. Secondly, it will be necessary for all State Parliaments and the Commonwealth Parliament to ratify similar Bills before this Bill is effective because the power enabling the co-operative to do this is contained in those enabling Bills and the Commonwealth Bill. I want to make that clear, this Bill cannot be acted upon until all State Governments and the Commonwealth Government pass enabling legislation. The operation of this Bill is contingent upon the passage of those other pieces of legislation.

I hope that the co-operative will be able to make the best use of the proposed amendments to the Act. It is prepared to try and it is the desire of the producers also. I have received six telegrams asking me to take other action, but “one swallow does not make a summer” and, because the bulk of the people want this legislation, and the co-operative has every right to implement any rationalization scheme it may desire, it is given that power in the Act. It will be for wheat producers to contact their own organizations to see whether any scheme that they think is better than the one visualized by the co-operative is brought into operation. The Government is happy to facilitate the suggested amendments to the Act, and I am sure Parliament will support this Bill.

The Hon. A. J. SHARD (Leader of the Opposition): I take the unusual step of not moving that the debate be adjourned. In his second reading explanation, the Minister said:

If this legislation is passed reasonably speedily, the co-operative has indicated that it will be possible to accept almost 75 per cent of the total of accurately estimated deliveries.

As far as I am concerned, we will deal with it reasonably speedily, in accordance with Standing Orders. The Minister spoke about the importance of this legislation, but then he said he did not know whether the Acts of the other States and the Commonwealth had been amended and that this Bill could not take effect until the legislation was passed by other Parliaments. If we speedily deal with the legislation in this Parliament we should be in line with the other people.

If we take this action in accordance with Standing Orders, I do not think we can be criticized. I have been touched on the raw regarding Standing Orders, and I say that if they are to apply to one section of this Chamber they must apply to all sections. That is where I stand on that point. My colleagues and I are prepared to assist Parliament right up to the limit of Standing Orders in order to get Bills through. However, we have not had the co-operation from this Chamber on other matters that we would have liked to get out of the way. It is necessary to point out why we take that stand, because there are errors in this printed Bill that have to be corrected. I would not like to have to ask you, Mr. President, to certify that something was correct when it was not.

I think the Bill is reasonable, if it works all right. However, I would not like to be the party who has to estimate 75 per cent of a farmer’s crop. In theory it may be ideal, but I do not think it will work out so ideally in practice. However, it is not for me to criticize that. We do not wish to delay this Bill; we want it to pass as quickly as possible, within the realms of Standing Orders. It is someone else’s job to give effect to it. With those few remarks, I support the second reading.

The Hon. A. M. WHYTE (Northern): I, too, support the Bill, which was well explained by the Minister. The South Australian Co-operative Bulk Handling Limited has been approached not only this year but in a number of years to try to implement some means of rationing and the rationalization of wheat cartage. During the previous several bumper seasons, trucks have remained in queues a mile long or even longer and for days on end have been waiting their turn to dump a load of wheat into a silo. Had some method of quota rationing been introduced, all this could have been avoided. People whose crops were ripening later than others would have had extended to them the facilities to which they were entitled, having paid as much toll as anyone else, and they, too, would have been able to deliver part of their crop to the silos before they were filled.

During those years many approaches were made to the co-operative, but at that time it did not see eye to eye with the growers. In some districts rationing and quota schemes were implemented, but they were not legal and on odd occasions physical persuasion had to be employed to see that these schemes operated completely to the satisfaction of 99 per cent of the growers. As the Minister has said, it is imperative that this legislation pass as quickly as possible. The longer it is delayed the less effective it will be, for people who are already carting wheat would take advantage of the fact that their neighbours’ crops were not ripe and perhaps there could be a bottleneck at delivery points, as there has been in other good seasons.

The co-operative is doing its very best to extend facilities by erecting temporary silos in the form of sheds, most of which will contain about 500,000 bushels, and it is doing this as speedily as contractors and finance permit. Other schemes have been mentioned, such as communal dumping and various other things that I have tried to explain to the Minister on other occasions. I will not go further into that aspect now because it may confuse the issue. In any case, I believe the co-operative is doing its very best to provide temporary storage, which is preferable to open dumping.

The Leader of the Opposition referred to the difficulty of being able to estimate 75 per cent of a grower’s crop. I, too, realize that this would be an almost impossible task, if it were not for the honesty of the grower. Growers are asked to fill in forms detailing the acreage sown and their expected yield, and as a good many farmers are now reaping, they have a reasonable idea of what their yield will be. If this becomes questionable, I believe that the authorities will have the power to ask any farmer to sign a statutory declaration as to the estimate of his acreage and his yield.

Probably there will still be some anomalies, for some people will always try to beat any such legislation. However, the intent of this Bill is to provide some rationalization that will allow every wheatgrower to deliver 75 per cent of his wheat in a reasonable time and be paid his first advance on that wheat. We hope that by then the co-operative will be starting to find room for the other 25 per cent.

The Hon. S. C. Bevan: What if that room can’t be found?

The Hon. A. M. WHYTE: I believe that in that case the grower organizations would have to ask for temporary storage, and every effort will have to be made to see that the Wheat Board accepts that wheat and pays for it. If that wheat had to be dumped in the open, I believe the growers would have to foot any loss incurred during the time it had to stay in the open.

The Hon. S. C. Bevan: Would the temporary storage that you mentioned be available?

The Hon. A. M. WHYTE: Not at present, because all the temporary storage will now be taken to handle the 75 per cent intake.

The Hon. S. C. Bevan: If this Bill comes into operation this season, what will happen to the surplus wheat?

The Hon. A. M. WHYTE: It is hoped that by the time the 75 per cent is received sufficient sales will have been made to enable the other 25 per cent to be received. That is the desire and the hope not only of the Wheat Board but also of the growers. If sales have not been effected to the proportion of 25 per cent, then further efforts will have to be made by the growers and their organizations to see that some type of storage will allow the Wheat Board to accept the other 25 per cent.

I believe that a card system will be adopted. We had hoped at one time that not only the quota system but also a zoning system would be established, for this would make the quota system more effective. However, the bulk handling company has thoroughly investigated this and believes that zoning on this side of Spencer Gulf would be almost impracticable. For that reason, it has adopted what it calls a rationalization system, which entails the use of a card bearing the grower’s estimate of 75 per cent of his crop. Wherever he delivers wheat, he has to take that card and have it checked; so there is no control of a person’s point of delivery but, when the card shows that 75 per cent of the estimated crop has been received, no more grain is acceptable from him. Because these cards are ready and waiting and because the more quickly they can be issued by the agents the more effective this legislation will be, I urge honourable members to give this Bill a speedy passage through this Council.

The Hon. L. R. HART (Midland): I suppose one should almost rejoice at the introduction of this Bill because it indicates we shall be having a record harvest in this country this year, and a record harvest not only benefits the individual growers but also is of considerable economic advantage to the whole of Australia, because wheat is one of our export commodities by means of which we build up our oversea reserves.

The alternative to delivering wheat to the silos this year will be mainly farm storage. There are always, of course, problems in connection with farm storage, the greatest for the grower being that he does not qualify for the first advance on the grain he has stored on his property until he is in a position to deliver it. I asked the Minister recently whether it would be possible to make some percentage advance to the grain-grower where farm storage was necessary. Of course, many farmers still bag their wheat. I assume that, once a grower has delivered 75 per cent of his grain to the bulk handling company facilities, he can bag the remainder of it and receival depots will still be available to him to which he can deliver his wheat, for which he will receive his first advance.

The Hon. A. M. Whyte: Will it be possible to buy the bags? Are these bags available?

The Hon. L. R. HART: I should say the prudent farmer who has probably foreseen the possibility of being placed in this position will have provided himself with bags. Many farmers, in the first instance, bag their grain, which is then emptied into bulk bins for transport to the terminals, so at least some wheatgrowers will have some bags by that method. Some growers have provided themselves with bags because of the possibility of farm storage. In the last year or so the practice has grown up of re-bagging bulk wheat at Wallaroo, because some countries still require the delivery of wheat in bags—mostly oversea countries with no port facilities. So, rather than bulk wheat being re-bagged it is possible that much of the grain bagged this year will find its way to the ports in this manner. The Hon. Mr. Whyte mentioned zoning. There has been this problem over the years of some grain growers still delivering their grain to the shipping terminal. They do so because a considerable price differential is involved. At times, it has meant they have driven past silos not completely filled. That is not in the best interests of the industry. When silos are still open for the receival of grain, it should be delivered to them by the people in the locality. If delivering grain to the terminals is to be preferred to delivering it to the local silos, there is a case for the people doing this paying the ton-mile tax.

A problem not only facing us this year but to be faced in future years is the carry-over of large amounts of wheat, as is the present position. It further complicates the problem of the storage of the present crop. This situation developed, to some extent, because of low wool prices. Because of that, people have gone into grain-growing in preference to wool production, and this may continue. So, we must look seriously at this question of the reduction of acreages that have been sown to wheat, because in some areas where farmers are growing wheat today, previously wool was grown. Large acreages, amounting to 20,000 acres on some properties, are being sown to wheat. These are the properties at present creating many of the storage difficulties. I do not think we should reduce the wheat acreage while we can sell the wheat, but we are reaching the stage where other countries are becoming self-sufficient in wheat production. Some of them that have suffered the ravages of drought in recent years are now enjoying good seasons, with record productions of their own. We have the problem of countries where the wheat farmer is subsidized. These are exporting countries, taking from us some of our traditional markets, which poses a further problem. South Australia has many advantages in wheat storage. We have more outlet facilities in South Australia than has any other State.

In 1965 I had the opportunity of travelling from Sydney to Broken Hill. All along the track in the middle of February I noticed lines of trucks waiting to deliver their wheat to silos. I gathered from local gossip that some trucks had been in one position for a fortnight without moving. So, even two or three years ago, New South Wales had this problem of lack of storage facilities, which is more serious when there is a record harvest. We appreciate the storage problems facing the industry, and anything we can do to alleviate the situation we should. I have much pleasure in supporting the second reading.

The Hon. M. B. DAWKINS (Midland): I support the Bill, which has been introduced in the exceptional circumstances of a probable outstanding harvest. The Leader of the Opposition said that the Bill would not be ideal and, of course, that is so. Indeed, no-one says it is ideal, but we will do the best we can to handle the very difficult situation we are in. The honourable gentleman also said that we cannot accurately estimate 75 per cent of the farmers’ crops. Here again there is difficulty, but the Hon. Mr. Whyte dealt with that matter and, indeed, it will be dealt with by all concerned as competently as possible. Of course, the scheme will be subject to the honesty of the farmer, and we hope that it will work reasonably well.

It was said that South Australian Co-operative Bulk Handling Limited has not always been keen about this approach, but, in fairness, it could also be said that not many primary producers in some areas would have desired this scheme in normal years. On the other hand, in other areas (and I think the Hon. Mr. Whyte may well represent some of these areas) many primary producers would have desired such action, as was indicated by the honourable member. There are, as Mr. Whyte said, in all districts plenty of areas which find themselves in difficulty because silos are full before the farmers can get their wheat there, or by which time large queues are waiting. Later districts also suffer because silos are full before their wheat is ripe.

I believe that in the present circumstances most people in the farming and cereal growing community desire something along these lines so that they can get three-quarters of their grain into storage. The Hon. Mr. Whyte also said that Co-operative Bulk Handling Limited is doing its best in the present circumstances; it is certainly doing all it can to arrange temporary storage. Indeed, some sheds that have been previously used have been renovated to enable them to hold grain, and other storage places have been erected. The need for a scheme of the type envisaged in the Bill is evident. In those circumstances I shall not delay the Council further. I support the Bill.

The Hon. H. K. KEMP (Southern): I merely speak in support of this Bill to put it on record that it has my full support and that of my Southern District colleagues. We give it our strongest backing and hope it has a speedy passage.

The Hon. C. D. ROWE (Midland): I endorse what my colleagues and the Minister have already said. In the Ardrossan area, in which I have a particular interest, there is a real problem because the crops in that area ripen very late, while the crops more distant from it ripen early. Consequently, this earlier-ripening wheat is brought into the silos, and the local farmers often find that the silo is full when they want to deliver their wheat. The Bill is designed to meet that situation. I cannot conceive a better way to approach this problem, and I hope everyone will realize that to a large extent it will be a matter of honour as to the declaration of the quantity of wheat that will be delivered. This will rest on the conscience of the farmer and, consistent with the difficulties of estimating what a crop will be, I hope people will realize that a community effort will be needed and that, by doing the right thing, they will help not only themselves but others. I congratulate Co-operative Bulk Handling Limited on its proposals and I wish it every success.

Bill read a second time and taken through Committee without amendment. Committee’s report adopted.