**WHEAT DELIVERY QUOTAS ACT AMENDMENT BILL 1972**

**Legislative Counci,16 November 1972, page 3144**

Second reading

**The Hon. T. M. CASEY (Minister of Agriculture)** obtained leave and introduced a Bill for an Act to amend the Wheat Delivery Quotas Act, 1969-1970. Read a first time.

The Hon. T. M. CASEY: I move: That this Bill be now read a second time.

It makes three changes of great importance in the application of the principal Act, the Wheat Delivery Quotas Act, to growers of wheat in this State. They may be summarized as follows: (a) provisions are proposed to be inserted to deal with the cases where excessively large amounts of wheat are being carried forward from season to season by way of shortfalls; (b) a provision relating to this season’s abnormally low harvest is proposed and is intended to ensure that all grain delivered this season together with over-quota wheat of previous seasons will be taken up as quota wheat; and (c) a provision relating to special hard wheat allocations is proposed to be inserted.

Clauses 1 and 2 are formal. Clause 3 repeals the preamble to the principal Act, which is now somewhat out of date. Clauses 4 and 5 make minor drafting amendments to the principal Act. Clause 6 amends section 49 of the principal Act, which deals with the carrying forward from one season to the next of short-falls, that is, the difference between the amount of wheat actually delivered from a production unit and the amount represented by the quota allocated to the production unit. It has come to the attention of the advisory committee that in some cases these short-falls are accumulating from year to year at an alarming rate. Instances have occurred where no wheat has ever been planted on production units, in respect of which quotas were allocated, since quotas were first allocated. In relation to these properties, short-falls equivalent to years of production have accumulated. In other cases the accumulation of short-falls has resulted in quotas being attached to production units for a particular season that are far beyond the productive capacity of the unit; so here further short-falls are inevitable.

Accordingly, it is proposed that in the cases mentioned above the advisory committee will be given the right to review the amount to be carried forward by way of short-fall and, if necessary, reduce it or direct that in a particular season no amount will be carried forward. Any decision of the advisory committee in this area may, of course, be appealed against to the review committee. Clause 7 inserts two new sections (54a and 54b) in the principal Act.

New section 54a provides that, where the amount of wheat that can be delivered in this State and the amount of over-quota wheat from a previous season is less than the amount of wheat comprised in the State quota, and the Minister considers that it is justified, all wheat delivered may be taken up as quota wheat. Honourable members will, no doubt, be aware that this situation will probably occur during the current delivery season. Due to adverse seasonal conditions, the amount of wheat available for delivery as quota wheat of this season will fall far short of the State quota. It is considered that a provision of the kind proposed will be of considerable benefit to those farmers who do have wheat to deliver and who will, accordingly, be able to take advantage of the guaranteed minimum price arrangement. New section 54b arises from successful representations that have been made for a special hard wheat quota for this State. Depending on total deliveries of hard wheat this year, those producers who have delivered hard wheat will, by operation of this section, have their wheat delivery quotas increased by up to 50 per cent of the amount of hard wheat delivered.

The Hon. A. M. WHYTE secured the adjournment of the debate.

**WHEAT DELIVERY QUOTAS ACT AMENDMENT BILL 1972**

**Legislative Council, 21 November 1972, pages3189-90**

Adjourned debate on second reading. (Continued from November 16. Page 3144.)

The Hon. A. M. WHYTE (Northern): In speaking to this Bill, I think it is perhaps necessary to outline some of the circumstances that originally brought about the quota system. I believe that no matter what system had been introduced, it would have had some anomalies and would not have been quite fair to all the parties concerned. Since the promulgation of the legislation, the committees that have been formed have done their best (indeed, they have done an extremely good job) to sort out many of the problems that have arisen because of the necessity to introduce a quota system. Initially, there was discontent between the States regarding allocations. Western Australia had an allocation as high as 76.8 per cent of its production, whereas those of other States were as low as 60 per cent of their production. During all this time, it was necessary for the Act to be amended to try to ensure that all growers received an allocation that related to their ability to produce and also to the necessity to keep their properties viable.

Two years ago, I considered it necessary to try to safeguard short falls, because many of the wheatgrowing areas in South Australia are not reliable in any given season, but they nevertheless produce much grain. Indeed, almost 40 per cent of this State’s grain is grown in what one could term risky climatic conditions if one chose to refer to a certain season only. Given the opportunity to average out, these areas produce much of this State’s grain and, what is more, they are capable, should the occasion arise, of producing millions of bushels more than they are at present producing.

It is important that I should refer to some of the outlying areas that produce much of our grain. I refer, first, to the county of Bosanko, which is well outside Goyder’s line and which is a good producer. I refer also to the counties of Buxton and Jervois. 1968-69 the latter county produced 8,338,956 bushels of wheat and, except perhaps for Gawler, this is possibly the most wheat produced by any county in this State. I cannot in my figures see any other district that has equalled the production of the county of Jervois.

There are 109 silo locations in this State as well as seven terminals. In most of the silo locations there is more than one silo. Indeed, there would be few locations in which there is only one silo. Of the silo locations to which I have referred, 39 are outside Goyder’s line. I refer to this aspect, because this is an area of concern regarding this legislation. I understand the area well and I believe it has a wonderful potential. Indeed, it could produce many millions of bushels of wheat more than it is producing should the nation require it to do so.

It would be remiss, therefore, if we were to allow any slicing of quotas in this area merely because two or more seasons of below-average rainfall could occur. Such a season could well be followed by one of rust or frost or something else that plagues wheatgrowers. It is extremely costly to gear oneself for wheatgrowing. This is not an industry in which one can stop and start at a moment’s notice. Indeed, the initial capital outlay is sufficient to make one watch the bank manager when thinking of quotas. Two years ago, I considered that quotas were eyed enviously by certain people who, prior to the quota system, were not traditional wheatgrowers. Undoubtedly, these people had the potential to grow wheat but, because barley growing, hay cutting and fat lamb production were more lucrative, they were interested in those forms of enterprise. As a result, when quotas were introduced they found that their allocation was not sufficient, and this has been especially so since those in the fat lamb and wool industries have, because of low prices, turned their eyes to wheat. I considered that these people (some of whom could have grown more wheat on their land) would be envious of other people’s higher quotas, especially if those people did not fill their quotas.

Many of the areas with large quotas are essentially wheatgrowing areas. By no stretch of the imagination could they be deemed to be pastoral land or pasture land: they are between those areas and rely for 80 per cent of their income on wheatgrowing. With this in mind, two years ago I played a major part in introducing an amendment to the Act which provided a safeguard for short falls, the idea being that a person with a short fall could not be denied the full right of his quota, plus his short fall and less a percentage of State short falls.

If there was not sufficient over-quota wheat to balance the State’s quota, those growers who had short falls in a given season would have to bear the brunt of the short fall and, indeed, average it out amongst those with a discrepancy. Therefore, a man with a 30 per cent short fall in one year would the next year have his base quota plus a short fall based on the State short fall and would not necessarily incur a 30 per cent deficit. Indeed, the position averaged out much better than that, and those with short falls were grateful for this protection. It therefore causes one some concern when one sees that section 49 (6) of the Act will be countermanded by the present legislation.

I realize the necessity of having a committee to review quotas. I have no desire in any way to restrict the operations of the advisory committee, which keeps a close watch on the situation and, if necessary, alters the quotas. In some areas people who have never planted wheat have wheat quotas. Since it is necessary for this State to make maximum use of its wheatgrowing area at a time such as this, when our nation cannot fulfil its oversea wheat orders, it is indeed necessary for some review to occur. I wonder whether a better method than that advocated in this Bill would have been for the advisory committee to have special power to deal with special circumstances and to leave the existing Act as it is, leaving as it is the safeguard for short-falls. As there is some danger that the present safeguard in section 49 (6) could be weakened or countermanded, I have suggested a new amendment, which has been circulated and for which I hope there will be some support. I am not quite sure that my amendment does all that is necessary to safeguard short-falls. However, it will safeguard them for three years; whether or not that is a sufficiently long period I am not sure. Much discretion will be left to the advisory committee even after the three-year period. On the other hand, my amendment could in some way restrict the advisory committee from making adjustments to the State quota by taking away entirely the short fall of people who had made no attempt to grow wheat and yet were holding wheat quotas.

The Hon. T. M. Casey: You cannot do that.

The Hon. A. M. WHYTE: I am speaking of the overall situation. Perhaps someone else could suggest an amendment better than mine. It is of such serious consequence that I could not care less who gets the pat on the back for putting it straight, so long as we finish up with what the industry needs for its best operation. My amendment will go some way toward ensuring protection for short-falls, and I hope it does not inhibit the action necessary by the committee and the leaders of the industry to give South Australian growers the best possible legislation and the best opportunity to meet the State’s commitments for oversea markets. I support the Bill.

The Hon. M. B. DAWKINS secured the adjournment of the debate.