

**BARLEY EXPORTS — CHINESE TARIFFS**

*Standing Orders Suspension — Motion*

**MRS L.M. HARVEY (Scarborough — Leader of the Opposition)** [3.07 pm] — without notice: I move —

That so much of standing orders be suspended as is necessary to enable the following motion to be moved forthwith —

That this house condemns the inaction and failures of Premier McGowan and his government regarding the \$1 billion Chinese barley tariff crisis, which will overwhelmingly impact WA farmers, and calls on the Premier to outline his response to this crisis.

I understand that the leader of opposition business has negotiated with the government and that the leader of government business in the house will make an amendment to the motion on the time frame for debate.

*Standing Orders Suspension — Amendment to Motion*

**MR D.A. TEMPLEMAN (Mandurah — Leader of the House)** [3.08 pm]: I move —

To insert after “forthwith” —

, subject to the debate being limited to 15 minutes for government members and 15 minutes for non-government members

Amendment put and passed.

*Standing Orders Suspension — Motion, as Amended*

**The SPEAKER:** Members, as this is a motion without notice to suspend standing orders, it will need the support of an absolute majority to succeed. If I hear a dissenting voice, I will be required to divide the Assembly.

Question put and passed with an absolute majority.

*Motion*

**MRS L.M. HARVEY (Scarborough — Leader of the Opposition)** [3.09 pm]: I move the motion. In bringing to the chamber this motion to suspend standing orders, I note with some concern the Premier’s response in question time, which basically mocked the opposition for raising this very important matter concerning Western Australian farmers and the \$1 billion hit to the Western Australian economy at a time when it is in crisis. The Premier is correct; this issue was raised by the opposition through our shadow Minister for Agriculture in the other place, Hon Jim Chown, in early April 2019. We are stating irrevocably that the government has been caught napping on this issue.

A joint statement released on 19 May 2020 by the Grains Industry Market Access Forum, the Australian Grain Exporters Council, Grain Growers, Grain Producers Australia and Grain Trade Australia goes into great detail on this issue. It states —

China initiated anti-dumping and countervailing subsidy investigations regarding Australian barley exports in November and December 2018.

Since that time, the industry has been working with the Chinese government. The media release states that the industry understands that the Chinese Ministry of Commerce is absolutely well within its right to investigate accusations of dumping into the Chinese market. However, the statement says that the claim of dumping causing injury to China’s domestic barley market is unsubstantiated and calls on the Australian government to engage deeply with China in a respectful and meaningful way to resolve the issue and to concurrently and conveniently pursue the World Trade Organization’s dispute settlement process to the fullest extent possible.

The Australian barley industry’s relationship with China began in the 1960s. Around 10 days ago, when China drew a line in the sand with its investigations into the dumping of Australian barley into its market, we called on the Premier for a response. This threat of a tariff on Australian barley imports into China will disproportionately affect WA farmers. It is particularly critical at this point in time because the crop is in the ground for many of these farmers; it has already been planted. Those farmers planted that crop in good faith that the Western Australian government and the Australian government would go in and bat for them and come to a solution on the tariff crisis and make it worthwhile to put that crop into the ground. It is a significant problem. According to the Australian Bureau of Statistics’ latest report, the employment rate in the wheatbelt is down 7.4 per cent. The failure to harvest a barley crop and to leave it in the ground for lack of a customer will significantly impact the economic viability of many of our farmers, have a further detrimental impact on jobs, employment and family businesses in the wheatbelt, and create a proportionate hit and a wave through our economy at a point when we do not need it.

We asked the Premier what he was going to do about it. The Premier said that he had spoken to the federal counterparts and offered his assistance as a peacemaker if that would be useful. I say to the Premier: “Where have

Mrs Liza Harvey; Mr David Templeman; Ms Mia Davies; Mr Dean Nalder; Mr Mark McGowan; Mr Ben Wyatt

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you been since this crisis started? Where have you been since the negotiations and the investigation started?” Earlier this year, the Premier was more than happy to be sitting in a Chinese restaurant in Applecross with several of his ministers, Hon Pierre Yang from the other place, and the Consul General of the People’s Republic of China. I put it to the Premier that is a very friendly relationship. They were having dinner and making toasts regarding Wuhan and a range of other things. That was a very early response from some members of the community to the COVID-19 crisis, but that is the nature of the Premier’s relationship with the Chinese consul general. Where has that relationship been in the context of the tariff imposition on our barley imports into China and the impact that that will have on our economy and our Western Australian farmers? The Premier left this negotiation to his jetsetting Minister for Agriculture and Food, Hon Alannah MacTiernan, who was alerted to this problem by Hon Jim Chown in the other place as early as April last year. What was the agriculture minister’s response at the time? At the time the Minister for Agriculture basically said, “It’s all very sensitive. I didn’t raise it when I was in China because of its sensitivity.” What is the point of the minister going to China if she does not raise issues that are going to have a significant economic impact on Western Australian farmers? This is a matter of state significance. The Premier is utterly reluctant to be involved, and that is why we raised it in this place.

I want to draw the Premier’s attention to the remarks he made in this place on 10 March 2020 in response to the COVID-19 issues. It states in *Hansard* —

... when this issue first became significant in Australia, with the stopping of travel between China and Western Australia on 1 February, the Prime Minister called me ... He called me and I called my staff and I convened a bunch of roundtable meetings for the following Monday, 3 February with the mining industry, agriculture, international students and tourism—separate events—to hear from them about what they thought the impact might be. We took it so seriously that we led Australia in our economic response. We were the first state to do so —

These are the Premier’s words —

It stands to reason, considering Western Australia’s trading relationship with China, that we should lead Australia in relation to those things ... The three most senior industry association heads in Western Australia have all said that this government led the nation in its response. After that, I immediately, with other ministers, engaged with our Chinese partners in the airline industry, business and government, to make sure that the relationship was kept strong because obviously the issue was very much focused on China initially and we had to keep the relationship strong so that when the virus lifts, we still have that relationship and can get the flights back and keep the strong trade, and get back the students and tourists ... The Minister for Asian Engagement, the Treasurer, the Minister for Tourism, other ministers and I—all of us across government—worked on that.

That is what we are asking the Premier to do now on behalf of our Western Australian farmers who have a barley crop in the ground and no market to sell it into. We are asking the Premier to engage with all his ministers and go in to bat for our farmers.

**MS M.J. DAVIES (Central Wheatbelt — Leader of the Nationals WA)** [3.17 pm]: I stand on behalf of the Nationals WA to support this motion and to put on record that it is widely acknowledged that our Australian farmers, particularly in Western Australia, are some of the least subsidised in the Organisation for Economic Cooperation and Development. Over my 12 years as a member of Parliament representing either the Central Wheatbelt or the Agricultural Region in the other place, the subsidisation of our farmers and exactly what they do and do not get from our government has been the centre of a heated debate. Because there is so little intervention from government by way of financial assistance for our farmers in Western Australia and Australia, we have some of the world’s most efficient farmers. In spite of climate change, volatility of pricing on imports, access to skilled and affordable labour, continued threats to their right to farm with debates on GMO crops, glyphosate, mulesing and animal activists, they continue to adapt and evolve to meet changing market demands. Western Australia’s grain industry has the greatest exposure to any disruption to trade restrictions or relations. We export the majority of our cereal crops and we export the majority of our barley to China.

The Chinese market is lucrative. Over time, our state has developed, under both persuasions of government, mutually agreeable relationships with their trading partner involving the iron ore, wheat, barley, wine, rock lobster and dairy industries. They are all beneficiaries of a strong relationship. This tariff is incredibly disappointing and damaging for our farmers. Many others outside the cereal crop sector are also starting to feel very nervous. Many farmers in the broadacre sector have already completed their seeding schedule and some will be too advanced to change their program. The flow-on impact in regional communities will be the same as a property slump in the metropolitan area; arguably more so because many of our communities are solely reliant on the underlying profitability from agriculture. When the dollars dry up, it impacts every business and employee in town. Although our farmers are incredibly resilient and adaptive, it is very difficult to adapt to shocks like this. All of us in this place must work hard at all times to make sure that we minimise those shocks.

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I trust the Premier's words have been backed by action and that the Premier and his team are taking a keen interest in this and are working to offer the fulsome support of government; more than just lip-service and glib answers in this place. The Nationals WA have reached out to our federal counterparts. We also maintain regular contact with Co-operative Bulk Handling, which is Australia's largest grain exporter. It is incumbent on the Premier and his cabinet to do everything they can to support efforts to resolve this issue. Our growers are some of the most efficient in the world. They are neither subsidised nor have they been dumping their product. They are efficient business operators who have worked hard to develop a world-class product. We should be proud of them. I reiterate: it must be all hands on deck, Premier. It must be more than just a comment that the Premier has offered to assist. Our farmers expect everyone in positions of power to have this as a priority for resolution.

**MR D.C. NALDER (Bateman)** [3.20 pm]: Where is the Premier on this issue? Whenever there is a good-news story, the Premier is front and centre. He spruiks about his relationship with the Chinese government and the relationship Western Australia has with China, but where is the Premier when it comes to this issue regarding farmers? There is a track record developing from this Premier and this government when it comes to regional Western Australians. We do not have to look too far to see what this government has done, particularly when it comes to the other side of the scarp. Members of this house know how much this government has stripped out of royalties for regions. The people in this house understand what this government has attempted to do to things like the School of the Air and community resource centres—their budgets were stripped. We have looked at what it has done to Moora Residential College and its attempt to nationalise the crayfishing industry. Despite promising no gold tax before coming to government, the Labor Party tried to introduce a new gold tax. Why does this government have such a bad feeling towards the people of regional Western Australia? Why can it not look beyond the scarp as to the importance of the regional community, particularly our agricultural sector? We know how important the agricultural sector is to the Western Australian economy, yet this Premier has been totally absent: "It's not my fault; I can't do anything; I've offered my help to the federal government." When there is good news, the Premier is front and centre—he is responsible for the outcome of delivering great trade into China. But when there is a challenging issue, he wants to hide behind, "The agriculture minister has got it" or, "Oh no, that's a federal issue. I've offered my support." But he is not front and centre. He is not standing up for Western Australian farmers, maybe because he does not believe there is a vote in it. The Premier is extremely politically motivated. He is sitting there saying, "We can't win a vote over there in the wheatbelt, so why would we bother trying to fight the cause for Western Australian farmers?" The Premier's absence is completely telling. Our farmers have been caught out. Of this 80 per cent tariff, 90 per cent of the grain exported to China comes from Western Australia. Western Australia is the major supplier by far. No other state in Australia has been impacted as badly as Western Australia. Where is the Premier?

During question time, the Premier said, "You haven't asked me any questions in Parliament." Is the reason the Premier does not act because we have not asked him a question in Parliament? Is it not important enough to Western Australians for the Premier to act of his own free will? The Premier argued during question time that it was our fault he had not acted, because we had not asked him a question in Parliament! That is an absolute disgrace to the people of Western Australia. They deserve better from this Premier; that he actually understands the issues confronting Western Australians. We cannot afford at this point to have another billion dollars stripped out of our economy, like we had \$750 million stripped out of our economy when the Premier decided to change the regional migration scheme. He thought that was all about international immigration. That did not change, but it changed the number of international students coming to Western Australia. That stripped \$750 million a year out of our domestic economy. Now we are talking about another billion dollars.

**MR M. McGOWAN (Rockingham — Premier)** [3.24 pm]: The government will not be supporting the motion of the Liberal Party, for obvious reasons, but I want to go through each of the arguments. Firstly, the Leader of the Opposition said something to the effect that I was mocking the farmers. That is a blatantly untrue statement. In question time, the Leader of the Opposition asked me a question that sought to put me into the mind of the Chinese policymakers in Beijing as to why they have done something or other. Clearly, that is not something I am in control of or have any knowledge of. If there was any mocking, it was just pointing out what a ridiculous and absurd proposition the Leader of the Opposition had put to me. Secondly, I want to express my sympathy and support for the farmers in the regional communities who are going to suffer as a consequence of this decision that was beyond their control and that they had nothing to do with. They are caught in a bigger issue than they have control over. That is very sad for them and a very disappointing outcome. We have every confidence that no Australian barley is being dumped or subsidised. That is something that has been pointed out by state and federal governments on numerous occasions to Chinese policymakers over the last 18 months.

As I have said on a number of occasions, the Minister for Agriculture and Food has spoken to the Chinese Consul General in Western Australia to point out the Western Australian government's concerns about the decision. I understand that that was reinforced during a long conversation between the agriculture minister and the Chinese Consul General. I have raised the issue with the Prime Minister and offered support. The opposition does not seem to accept that, but I want to explain why I did that. I want to support the Australian government in solving this

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problem. Foreign affairs are matters for the commonwealth government. This is clearly a very delicate and sensitive issue at a national and international level. I do not want to get into a position whereby I might say or do something that is contrary to the views or the policy of the commonwealth government. I want to support the commonwealth government in whichever way I can; hence, I have reached out on a number of occasions to the Prime Minister to offer that support so that I work in harmony with whatever it is attempting to do. A lot of diplomacy is carried out, in fact overwhelmingly, behind closed doors. We do not know what might be going on behind the scenes. I do not want to go into something that is clearly a highly charged and sensitive issue and say things that might be contrary to whatever the commonwealth is trying to resolve or whatever negotiations it might have in place. I think that is entirely reasonable.

When I asked the Leader of the Opposition whether she suggests I should call the ambassador, she did not answer. Does the Leader of the Opposition want me to call the ambassador? Is that the Leader of the Opposition's position?

**Mrs L.M. Harvey:** I want you to tell us what you have done so far—made a phone call to the Prime Minister! You have answered it; it is all you have done.

**Mr M. McGOWAN:** The state of the Liberal Party in Western Australia is very, very concerning. I made the offer to the commonwealth government and I do not want to interrupt whatever work it is doing or whatever work is in place and whatever negotiations are in train. The agriculture minister has made the same offer to the national trade minister. We have made the offer. I expect other states have as well. But foreign affairs, and particularly highly charged diplomatic issues, are matters for the commonwealth government. I would not want to intervene and then be accused of somehow derailing something that might be going on at an international level. That is a reasonable thing to say and a reasonable position for the Western Australian government. Of course we want to keep strong trading relationships. Of course we want to keep relationships with our biggest trading partners—it is incredibly important for jobs and opportunities in Western Australia—but in so doing we need to make sure we do not step on any diplomatic landmines as we go through that process. That is why I made the offer to the commonwealth. The farmers from the wheatbelt down to Esperance are obviously the meat in the sandwich in a much bigger issue that is not of their making or the state government's making. We have not had any involvement in creating this diplomatic issue and neither have the Western Australian farmers. What has occurred is way outside our jurisdiction. We will work cooperatively with the commonwealth to resolve the issue in any way that we can. However, in a practical way, we can work with the exporters and the farming community to look for alternative markets if this issue is not resolved at the national and international level. There are other markets out there, but the problem is that the price received for barley in those other markets is potentially lower than the price received in the Chinese market. That is the loss that farmers and regional communities will endure, which is very sad. This issue is not of their making or of our making. It is very sad. We will continue to work on finding other markets. I have just had a conversation with the Minister for Agriculture and Food about it. We will also continue to support grains research in Western Australia. In last year's budget, I recall there was a \$40 million injection into grains research. Over the course of this government, it has received \$60 million in total. In the environment that we confront, that is a very significant investment into grains research, which supports regional communities and farmers across the state. Obviously, money is hotly contested within government, particularly a government that actually manages the finances well. The provision of \$60 million for research and support for farmers was a big commitment. With declining rainfall and competition from the Ukraine and other countries, we have to make sure that we continue to be productive, produce high-quality products and access markets. That is the work that Hon Alannah MacTiernan has engaged in, and I think she has done it very well. We put a floor under the old Department of Agriculture and Food Western Australia. Its finances were in freefall over the eight and a half years of the last government. We put a floor in place and supported agriculture to ensure that that freefall stopped. Over the last three years, agriculture has received more support from the state government than it did during the previous eight and a half years. We will continue to support agriculture in the state.

In closing, we are obviously a trading state. I have said that numerous times. Therefore, we have to have good relationships with countries around the world. Australia is a country of 25 million people in the Asia-Pacific region, which contains around four billion people. Making sure that we have good trading relationships is very important. As the principal trading state in the nation, we are doing everything we can at the state level to keep those good trading relationships. Without Western Australia, our export industries and the entire country would be in enormous trouble. Sometimes policymakers, other states and governments at the national level do not quite realise the extent to which Western Australia supports the nation. Obviously, in Western Australia we understand it, but at the national level, and among the other states, it is not realised or appreciated. We get very little gratitude for it. We are doing our best in these times of trouble to once again support the entire country. We are doing everything we can to make sure that our economy remains strong.

However, one thing I cannot do is potentially blunder into an international issue without having all the facts at my fingertips. I have said that we will support the commonwealth government in whatever way we can, and I continue to pass on that message to the commonwealth government. If it wants us to do anything, whether it is make phone

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calls, or provide correspondence or travel—although not at this time—or anything else, we stand ready to assist the commonwealth government in any way possible. I do not care whether the commonwealth government is Liberal or Labor, we stand to assist.

**MR B.S. WYATT (Victoria Park — Treasurer)** [3.33 pm]: I rise to make a few comments in support of the comments made by the Premier. The reality, as the Premier pointed out, is that these are delicate issues. Sometimes I worry—I often worry, actually—about where the WA Liberal Party finds itself. Out of the three contributions made by the opposition, I believe that only the Leader of the Nationals WA understands the delicacy of the issue. The Leader of the Opposition clearly does not and the member for Bateman generally vented his spleen about a range of issues that were not necessarily related to barley or the motion before us.

I want to make this point: the reality is that this state government and all state governments play a supporting role to the commonwealth in tariff disputes. That is the legal position we find ourselves in. The Premier has outlined that. This issue of barley has been around for 18 months but the issue of anti-dumping and countervailing measures has been contentious for years. We have an anti-dumping countervailing system in Australia. That has caused some discontent in China and elsewhere, primarily around the issue of steel back in the late 2000s—in 2009 or 2010. The World Trade Organization allows an anti-dumping and countervailing system—for example, for duties or other measures—but they are contentious. This highlights the value of a free trade system. That is something on which Australia and Western Australia depend; that is, the ability to trade with other countries. The opposition is desperate for some attention. It can give a glib line about doing more but it does not have any idea. When the Premier asked the Leader of the Opposition, “Should I call the ambassador?”, the Leader of the Opposition looked back blankly at the Premier with not the slightest idea. If the opposition has so little faith in Simon Birmingham and the Prime Minister, write to them and call them. They may take the Leader of the Opposition’s call. Raise these issues. Section 51(i) of the Australian Constitution makes it clear that trade and commerce with other nations is very much the domain of the commonwealth government. We have, and will continue to have, an honest and a more mature, sophisticated relationship with the Chinese government than many backbenchers in the commonwealth Parliament have. We will continue to have those conversations with the Chinese government. There is not one point that I say publicly about China, particularly when it is perhaps going against the Chinese view, that I do not put to the Chinese. I have those conversations with them. I call them, and I do that because that is the sophisticated way to have a relationship. When desperate for attention in opposition, I understand that sometimes you do silly things. The fact that the Leader of the Nationals did not follow the Liberal Party highlights where the Liberal Party has landed on this. It has got it wrong.

I believe Simon Birmingham. The Premier made the point that we will always back the commonwealth. There is a general rule—I think it is a smart one—that regardless of which political party is in power at the commonwealth level, the states back the commonwealth government on issues of foreign affairs. As the Premier said, there is a lot of information in play that is not available to the state governments—huge amounts. We always, either at home or when we are travelling, support the commonwealth government’s position—always. I take Simon Birmingham at his word. I do not believe that these tariffs are related—I hope they are not—to the broader issues around the relationship with China, but the reality is that there is a great deal of speculation. I listened to some farmers on radio this morning talking about some of the rhetoric being used by some federal backbenchers and some state MPs, and it raises questions and doubt about the relationship. When the Leader of the Opposition backs a federal colleague who compares China to Nazi Germany, she might find herself in a position in which she will not get access to the Chinese government. The Leader of the Opposition needs to keep these things in mind.

**Mrs L.M. Harvey:** Can you name one time I have done that?

**Mr B.S. WYATT:** Yes, I can. An article titled “Liza Harvey backs Andrew Hastie over comments on China” in *The West Australian* reported that Liza Harvey backed the comments of Andrew Hastie when he compared China to the rise of Nazi Germany. This is the point I make: all of us have an important role to play in this relationship. A cheap line and a cheap motion are easy to do, but the reality is that these are delicate issues that we need to work on with the commonwealth government, regardless of its political stripe. The sad reality is that the farmers have been caught up in something more global that may go back as far as 2009 about a range of other tariffs. This is the problem with the tariff system. Once a country walks that line and goes down that path, regardless of which country it is, it will inevitably find itself in these types of situations. We are a trading nation and a trading state. We support free trade and equal and open access to markets. These sorts of decisions can only damage Western Australian farmers and, I suspect, they will have a negative impact on Chinese consumers. Tariffs have a negative impact all around.

*Division*

Question put and a division taken with the following result —

**Extract from *Hansard***  
[ASSEMBLY — Tuesday, 19 May 2020]  
p2826d-2831a

Mrs Liza Harvey; Mr David Templeman; Ms Mia Davies; Mr Dean Nalder; Mr Mark McGowan; Mr Ben Wyatt

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Ayes (16)

Mr V.A. Catania  
Ms M.J. Davies  
Mrs L.M. Harvey  
Dr D.J. Honey

Mr P.A. Katsambanis  
Mr Z.R.F. Kirkup  
Mr S.K. L'Estrange  
Mr R.S. Love

Mr W.R. Marmion  
Mr J.E. McGrath  
Ms L. Mettam  
Dr M.D. Nahan

Mr D.C. Nalder  
Mr D.T. Redman  
Mr P.J. Rundle  
Mr A. Krsticevic (*Teller*)

Noes (33)

Ms L.L. Baker  
Dr A.D. Buti  
Mr J.N. Carey  
Mrs R.M.J. Clarke  
Mr R.H. Cook  
Mr M.J. Folkard  
Ms J.M. Freeman  
Ms E.L. Hamilton  
Mr T.J. Healy

Mr M. Hughes  
Mr W.J. Johnston  
Mr F.M. Logan  
Mr M. McGowan  
Ms S.F. McGurk  
Mr S.A. Millman  
Mr Y. Mubarakai  
Mrs L.M. O'Malley  
Mr P. Papalia

Mr S.J. Price  
Mr D.T. Punch  
Ms M.M. Quirk  
Mrs M.H. Roberts  
Ms C.M. Rowe  
Ms R. Saffioti  
Ms A. Sanderson  
Ms J.J. Shaw  
Mrs J.M.C. Stojkovski

Mr C.J. Tallentire  
Mr D.A. Templeman  
Mr P.C. Tinley  
Mr R.R. Whitby  
Mr B.S. Wyatt  
Mr D.R. Michael (*Teller*)

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Pairs

Mrs A.K. Hayden  
Mr K.M. O'Donnell

Mr J.R. Quigley  
Mr D.J. Kelly

Question thus negatived.