

WHEAT INDUSTRY - SINGLE DESK ARRANGEMENTS

Statement

HON MURRAY CRIDDLE (Agricultural) [9.45 pm]: I cannot let this opportunity pass without making some comments about the wheat industry in Western Australia, and the single desk and shifting the veto to the federal Minister for Agriculture, Fisheries and Forestry. The fact of the matter is that the Cole inquiry was set up to look at the oil-for-food program; it was not set up to look at the single desk and AWB's veto. Most of the commentators, consultants and experts on this issue do not know much about the industry and the impact that the shifting of the veto will have on the decision-making process. The impact on the 2005-06 and 2006-07 pools could be absolutely catastrophic for Western Australian growers. At meetings around Western Australia over the past 12 months or so, overwhelming support has been shown for the single desk and AWB's veto. In fact, there cannot be a single desk without a veto. That has been made absolutely clear by growers. The growers themselves have not had a direct say about what should happen to the single desk or the veto; rather, a few people have had an enormous impact. It is absolutely paramount that there be a receiver of last resort for our grain. There are 17 segregations of wheat. Unless there is a receiver of last resort, people could play havoc with our marketing system. The national pool is also absolutely paramount. As a seller, AWB has had a very good record around the world. I realise that there were problems in Iraq. Nobody is suggesting that people who break the law should get away with it. However, it is the structure that is important. There has been talk about the amount of grain that has been warehoused in Western Australia. Growers in Western Australia are very apprehensive about what will happen, and it is only natural that they should warehouse their grain. Co-operative Bulk Handling Ltd has been cherry picking, and its position has changed. It initially said that it would not take all the grain. However, I spoke to its representatives today, and they are now saying that CBH will have a pool and will take most of the grain, and it has set a price that will vary with the movement in the value of the Australian dollar. That is fine, but AWB has had to put its cards on the table right from day one. Once its cards were on the table, of course it was easy to take it to task and knock it off to some extent. I wonder what is happening in this case.

I admit that, yes, I am a grower and I am a shareholder in AWB. That is what happens with growers; the units go over and growers become automatic shareholders. It reminds me of the Wesfarmers days when the same sort of thing happened. I admit that I have put my grain in the AWB pool. A week or so ago the top load - it has gone up a couple of dollars - was \$274.45 a tonne. That is not a bad return. The people who criticise the AWB and say that they get \$248 or \$258 a tonne - or whatever it might be - must take into account the golden rewards. One thing that we may find with the CBH offer is that the more grain that is in the pool, the more grain CBH has to take across the board. It may even put some back into the AWB pool, and that means that there will be a levelling off in the price it offers. Western Australian grain growers are trying to understand a system that has not been made clear to them. That is a very important issue.

Our marketing system is accepted around the world as the best marketing system; indeed, everybody wants to implement that system. Why would they not, because it is the best system there is? Our marketing system underwrites the wheatbelt. Some growers may not be able to access the higher markets. The closer a grower is to a market, the more opportunity he has to maximise his returns. Everybody knows that a grower who is closer to Perth can truck grain to the best receiver. Our domestic market is deregulated. Many people have talked about a higher price for grain; however, those higher prices were around before we took any wheat off the market. We could not access the domestic market in the eastern states because we simply did not have the grain, and we were \$100 a tonne away as far as transport costs were concerned. There was a lot of talk about the amount of money that we were going to get for the grain, but those figures have not been achieved because we cannot access those markets. Why on earth do we have exceptional circumstances and drought assistance if we are going to knock off the very thing that makes them viable propositions? The other day I heard somebody say that CBH was going to give \$40 a tonne extra. That is misleading. The facts must be put on the table so that farmers understand what is going on. There is talk about suing people and all sorts of things. People who choose to talk like that should put the facts on the table and tell us what will happen. One thing that could happen is that the grain growers who put grain into the pool could sue the government for a loss of income. That might be an option. These are some of the things that we must be careful about. I am sick and tired of experts, commentators and consultants. Consultants will benefit from all this, because growers will run to them to ask them to handle their marketing. That will cost us another \$2 a tonne, which is a lot of money over 5 000 tonnes. Due care and consideration should be taken before we change a marketing system that has been good to us for many years. It is not that I do not understand the system, because I have been in the game for about 45 years. I started when I was a kid and grew my first grain of wheat before I left school. I read the Prime Minister's statement today. He made it very clear that this initial move is short term and that the longer-term decisions have yet to be made. The Deputy Prime Minister agreed with him. Any change, short term or long term, must take into account the wellbeing of our growers in the wheatbelt. I urge members to not forget that.

