

HOUSE OF ASSEMBLY

WEDNESDAY 19TH SEPTEMBER 2012

SELECT COMMITTEE ON THE GRAIN HANDLING INDUSTRY

Mr PEDERICK (Hammond) (11:20): I rise, too, to support the motion on the grain handling industry committee. I would like to commend the members on the committee: the Chairman, the member for Frome, Geoff Brock; Leon Bignell, the member for Mawson; Tim Whetstone, the member for Chaffey; and Tony Piccolo, the member for Light. We did have a very collaborative approach to this issue.

I would also like to commend the former minister for agriculture, Michael O'Brien. When I nominated in this house for this committee to take place, I negotiated with him fruitfully and we managed to get unanimous support in this house. I was very grateful for that because it was very much needed to get this committee up. I would also like to acknowledge the valuable work of David Pegram, Rachel Stone, and John Parkinson, our tireless research officer, for putting this report together around us.

This committee came about because of what happened in the 2010-11 harvest. There was a real issue with classification, where farmers were not allowed access to falling numbers machines to get an objective measurement of this grain. I mentioned in my previous speech, when we tabled the interim report, that we had constant discussions over that harvest with Paul Tierney from Viterra, and I applaud Paul for keeping up that dialogue. I think he was listening, but I think he was under the pressure of the company policy that they were not going to allow objective measurement through that harvest.

Thankfully, through the pressure of this committee, 78 falling numbers machines were purchased by Viterra and used for classification during this last season, 2011-12. One of our recommendations is that the federal government set up an independent body to oversee a classification in this country. With deregulation and overseas companies buying in, I think we do need that body to look at how we classify that grain, similar to what they do in Canada and the United States and, I note, in deregulated environments, just to make sure that we can uphold the quality of South Australian grain.

I would like to talk about some of the things that the select committee did, apart from our fruitful travels around the state and to Western Australia, and some of us went to Canada. I think the Canadian trip was vital, just to see how Viterra operates over there and why things were not working here in South Australia. Certainly, in regard to the report, it is obvious that in Canada, with the proposed takeover by Glencore of Viterra, a lot of sweeteners were put in the deal and they were still put in the deal later on—hundreds of millions of dollars of sweeteners, in fact billions of

dollars of sweeteners, because the original bill of \$6.5 billion dollars was diluted to something like \$3.1 billion.

None of this happened in Australia, which disappoints me. The committee actually asked the ACCC and the Foreign Investment Review Board to see if we could get divestment of port assets or other divestments in this state but, no, the ACCC said there would be no lessening of competition. Well, work that out: we take one player out of the mix and there would not be an effect on competition. I am sorry; I cannot work it out.

The member for Frome has done a good job in going over the recommendations, and I expect many people will be looking over those recommendations. I think the committee has done very valuable work so that we make sure that we do not lose the perceived hundreds of millions of dollars that we think we have lost out of the rural industries in the 2010-11 harvest due to poor classification guidelines given to the classifiers. I am certainly not blaming the classifiers here: they were under the pump.

I would like to say a lot more but, due to the constraints of time, I would like to make one last comment. I am concerned about the intransigence of Viterra in communicating with anyone on the problems with the Outer Harbor ship loader. This ship loader is vital to exports out of this state, yet we are getting nothing out of them. I approached both Viterra and Glencore at the Cleve field days and I got told to just look at the website. I do not think that is good enough, and that is why we need committees like this. I applaud the fact that we have also recommended that we should have a standing committee on the very vital industry of primary industries in this state.