

**ECONOMIC AND FINANCE COMMITTEE: CONSUMER PROTECTION FOR FARMERS:
REAPING A FAIR HARVEST**

June 30, 2010

Mr PEDERICK (Hammond) (11:42): In speaking to this report on consumer protection for farmers, I indicate that the member for Light kept me informed of what was happening because, as he mentioned in his speech, he was aware of a constituent of mine who had a tractor and he could not get any happiness from the local dealer concerning a repair that needed to be done so that he could operate the machine. This machine was quite good mechanically, but there was a major issue with the air conditioning system. It is very sad that the dealer did not seem committed to fixing the problem.

What I believe was probably more the case is that I do not think the company above the dealer gave the dealer the appropriate support to address the issue. I firmly believe that major machinery companies are quite happy to take cases like this to court. As the member for Light indicated, a tactic of machinery companies is to hand it over to their legal wing and forget about the actual nuts and bolts of the machinery, and then leave them to handle it until the farmer runs out of cash, patience, or both.

It is a real tragedy what happened with my constituent and the amount of money involved. I believe that it was the first time my constituent had bought a brand new tractor in his farming career, so you can imagine the disappointment that this has caused him. It has caused him years of stress and it is unjust. Essentially, the major manufacturing company handed this case over to their legal wing and left them to handle it. I think that is where much of the fault lies.

The other thing with which I agree with the member for Light is that it does need pursuing on a national scheme, and that is simply the nub of the matter. It is national legislation under the Trade Practices Act that should be addressing these issues, because there are far too many of them and we on this side do champion the cause of farmers. It should not get to this stage when you have machinery worth in the hundreds of thousands—harvesters these days can be auctioned up close to a million dollars by the time you spec them up—there should be far better protection for the buyers of this machinery and also, at the end of the day, they should be manufactured better, or matched up with other machinery—as has been indicated today—if one part of a machine is manufactured in one place and one in the other.

The big frustration in farming—and I should note that I have a direct interest obviously, coming from a farming background, so I mention my interest in farming directly—is the availability of service and the availability of parts for machines. When machinery is so expensive it is fair and just that farmers think that these things should be available so that they can get on with life. So I do have real sympathy for the people who have been caught up in this. I believe it can be worked out with national legislation, and that would go some way toward helping the problem.

I am a bit confused (as is the member for Schubert) about two of the recommendations of the committee. Recommendation 1 states:

The Committee recommends to the Minister for Consumer Affairs and the Minister for Agriculture, Food and Fisheries that a mediation scheme to provide alternative dispute resolution services for the agricultural sector be created.

Recommendation 2 states:

The Committee recommends to the Minister for Consumer Affairs and the Minister for Agriculture, Food and Fisheries that an alternative industry-based dispute resolution scheme be voluntary, that its decisions are binding on parties and, if necessary, it be given statutory backing to give it effect.

I think to save confusion—I was not on the committee and I am no expert—perhaps combining those two recommendations would have been simpler for people reading the report and taking it in.

I note the windrowing machine that the member for Schubert and the member for Light referred to. I actually had a look at the machine, and the problem was that one part of

the machine had high pressure hydraulics and one part had low-pressure, so it was never going to work. The company, as I said before, was quite happy to go down the legal route and just let it work out that way. A friend of mine also bought a similar machine but, sadly, he bought it second hand, so he falls into the 'buyer beware' category and would not have the same protection as someone buying a new machine. These things do need to be addressed.

In closing, I note the comment of the member for Newland, who alleged that we are not here for our farming constituents. I can tell you that we are here for our farming constituents, and if members on the other side (including the members for Light and Newland) are so concerned about the farming industry, they should go to their Treasurer and their so-called self-proclaimed expert on agricultural affairs, minister O'Brien, and ask him why he is pillaging PIRSA, cutting it to bits, and just destroying it. They are not going after the mining side of PIRSA. Don't get me wrong, I support mining full on, as does the member for Newland. I know he supports mining.

Members interjecting:

Mr PEDERICK: If these members want to come in here and make these allegations, well, let's see them stand up in here for the public servants today. I know that one person, after 33 years' faithful service to PIRSA, was told two or three weeks ago that it is over today. And there are others who have been working in the higher levels of research and development with SARDI. I am not going to mention names, but I believe their last day is today as well. These are people who have been at the leading edge of research and development in this state, and their jobs, as far as working for the department of agriculture is concerned, are finalised today. Certainly, in one case that I know of, a person has been told he will have to accept a transfer out from where he lives. He wants to stay where he lives. He has lived in that community for over three decades, and he wants to stay there. This is the thanks that this government gives to these people, who are so vital in ensuring that the rural industries of this state are vibrant and keep going.

We have this so-called self-proclaimed best agriculture spokesman in the world, minister O'Brien, who puts out a press release the other day saying he wants the food sector to be as good as defence and mining. Well, he is just cutting the guts out of it. If you have got absolutely nil investment and then less investment, where do you think it's going? It's going nowhere. They are hollow words. Let's not carry on about what our relationship is with farmers. We know what the Labor Party's relationship is. The biggest farm they are aware of is that bloody eighth of an acre in their backyard.