

## COMMITTEES

### SELECT COMMITTEE ON THE GRAIN HANDLING INDUSTRY

Mr BROCK (Frome) (11:02): I bring up the interim report of the committee.

Report received and ordered to be published.

Mr BROCK: I move:

That the interim report of the Select Committee on the Grain Handling Industry be noted.

First, I would like to congratulate and thank the select committee—two members of the opposition and two members from the government. It has had fantastic bipartisan support and has been very much a learning experience so far. We have gone all over the state to have some public discussions and consultations and we also have had quite a few hearings here in Parliament House. Sometimes we have talked with one person and we think we have something covered but it opens another one or two doors. This has been an absolutely fantastic select committee and, again, I congratulate all members and also the staff for assisting us to date.

The 2010-11 harvest was a record harvest in terms of total tonnes of grain but it was marred by poor management of the receipt and classification of grain at sites managed by Viterra. The decision to not use falling numbers machines to test the quality of grain that may have been affected by moisture was a mistake. The subsequent confusion that was experienced by farmers was unnecessary. The reason given by Viterra for its decision was to speed up the movement of trucks, and it created a situation that could only be described as chaotic and probably failed to achieve any quicker movement of the trucks.

The fact that Viterra could refuse to provide the falling numbers tests has only highlighted a weakness in the grain classification system, an issue which needs to be addressed by the industry. It was this single issue that created such anger and frustration among the farmers across the whole state. The committee felt the disappointment that was expressed by so many people who had the courage to provide evidence at the public meetings across all of South Australia.

The inquiry has also taken evidence on a range of issues that are central to the future prosperity of the industry in a deregulated market. Those issues cover transport and storage infrastructure, research and development, access to port, rail and storage services, and the standard of facilities at grain receipt sites. There are wider issues. It became apparent to the committee that there are deeper problems in the structure and management of the grain handling industry that need to be addressed.

Deregulation of the grain industry is generally accepted as a change that will benefit the industry in the long term. However, there are problems with the implementation of deregulation that cannot be ignored, and it is too simple to leave it to the market forces to sort out the problems. Deregulation, like any major change in public policy, needs to be monitored closely and, where necessary, altered to achieve the desired objectives.

The infrastructure and established practices for management of the harvest evolved over many years under the single desk concept and under the concept of a cooperative that was owned by the farmers. The changes required to maximise the benefits of deregulation will take time to evolve. There is currently no formal process for identifying and implementing these changes. On current evidence, the committee is concerned that deregulation may have introduced some benefits but there are some aspects of the industry that have been overlooked, such as the recognition of Australian grain as a premium product in world markets.

Some of the wider issues to be investigated by the committee include: infrastructure planning for roads, rail, ports and grain handling sites; provision of information regarding quantity and quality of stocks held by the bulk handling companies so that traders are able to provide a competitive service to the sellers (who are the farmers) and also the buyers; fair and open

access to ports on terms that are transparent but provide a commercial return that takes account of investment and risk; management of an investment in road and rail infrastructure that can provide an efficient service to the industry; involvement of local government in planning for harvest (local government is often the front line when it comes to managing the roads, and in many cases it is responsible for the condition of these roads); and the control and direction of research funding within the industry—is the funding being directed to issues that will benefit the industry?

The committee's investigation on these issues will take into consideration the commercial and legal factors that underpin the rights of all parties involved in the grain industry. The objective is to establish parameters that will encourage development of a successful grain industry with a capacity to continue to be a major contributor to the economic and social wellbeing of South Australia and also Australia.

The committee welcomes the moves that have been indicated by Viterra in their post-harvest report, in particular the purchasing of falling numbers machines. However, there appears not to be any committed operational policy or statements as to how these machines may be accessed by growers who may have a concern with the grade of grain being classified at the sampling points at the storage sites.

There were various terms of reference, which I will just list here, and the report is self-explanatory and very detailed. The committee recommends:

- that Grain Trade Australia be required to mandate that in the case of a disputed grain classification, an objective measurement be made available to the farmer at the sampling point;

- that the relevant commonwealth and state ministers be requested to provide direction to the industry on the implementation and enforcement of a dispute resolution process that mandates the use of objective tests;

- that grain handling and storage operators be required to publish an annual management plan for receival sites prior to each harvest. The management plan is to be prepared in consultation with silo committees, local government and other relevant stakeholders; and

- that information regarding stock levels and grades be made available in a timely manner to farmers and traders to ensure transparency and fairness.

Those are the recommendations. However, there are further committee concerns and future directions which are to be further investigated.

The evidence before the committee indicates that the current regulations are not providing the basis for a vigorous and competitive market and there is need for the policymakers and industry to review recent changes to ensure the objectives of the regulations are being achieved.

The committee is yet to be convinced that appropriate and long-term research has been properly coordinated and directed to meet the demands of future markets. Submissions received by the committee have highlighted concerns within the industry about access to ports. The committee will seek further information from industry participants on this issue and will also consider the implications of the arrangements that have been proposed by Viterra as part of the negotiations with the ACCC which were to be released on 11 August 2011.

The committee also has concerns with the out-turn quality of grain from South Australia and the effect any adverse publicity arising from problems with the 2010-11 harvest may have on future sales. It believes that if objective assessment had been made available at receival sites during the 2010-11 harvest this would have provided a level of confidence in the market with regard to the out-turn quality of grain sourced from South Australia. The committee will continue its investigation on this issue during the next harvest.

The committee intends to investigate the adequacy of road and transport infrastructure in more detail, with the objective of ensuring there are appropriate planning and development

processes or procedures available to support the changes that are necessary to ensure a viable basis for the industry.

The committee notes that deregulation of the industry will require rationalisation of existing infrastructure. The committee intends to investigate this issue in more detail with the objective of ensuring there are appropriate planning and development procedures available to support the changes that are necessary to provide a sound basis for this industry.

Also of concern, given the bumper harvest of 2010 and 2011, is that the committee has heard that carryover at the various storage sites will directly affect the capacity of the industry to receive the next harvest, which is also expected to be above average; and we can only hope that the grain industry does have another good year. While these views have not been included in the interim report, the committee will maintain a watching brief on the capacity of bulk handlers to receive the 2011-12 harvest. Madam Speaker, I commend the report to the parliament. I also thank the parliament for allowing me to chair this committee: it has been an absolute joy.

Mr BIGNELL (Mawson) (11:14): I also rise to support this interim report and to let the parliament and the people of South Australia know that we intend to work hard on having a final report some time after the 2011-12 harvest, because we want to make sure that we can get out there and see that the changes we have been assured by people in the grain industry will be made have, indeed, been made; and we have put Viterra on notice, in particular, that we do not want to see any repeats of what happened last harvest.

It was obvious from the heart-felt stories we heard as we travelled throughout all the regions in South Australia to listen to farmers and others involved in the harvest that things went awry last season. A lot of that had to do with the downgrading of classifications, and there was some quite obvious shortcomings in the way in which Viterra classified people's grain. The member for Hammond, the member for Frome and I recently went to Canada. We had 4½ days there and we travelled through three provinces of Canada. We met with Viterra and sat around their board table in Regina, and we made it quite clear that the Liberal Party here in South Australia, the Labor Party in South Australia and the Independent in the member for Frome would be keeping a close eye on what they were up to.

We took their assurances that they knew that they had done things not as well as they perhaps could have done. We took their word that they want to rebuild those relationships with the farming communities of South Australia, but we also told them that they had no place to hide, because every member in this house is a stakeholder in the grain industry. It means so much to our state's economy. We really need every dollar possible going into the pockets of farmers in our regions, into our regional economies and into our state economy and not to be shipped offshore. We do not want to see anyone short-changed.

The interim report addresses many of the classification issues and other issues under the terms of reference; but, as I said, we will be out there doing more. I really want to pay tribute to the courage of a lot of farmers throughout the state—people who spoke to us were close to tears at times. They really had been ripped off to the tune of tens of thousands of dollars in some cases, and in some cases much more money than that. Thank you to all those people who had the courage to come forward—some on the record, some off the record. It is not easy, and we did point out to all witnesses that, if they felt any intimidation from anyone, they were to report that to the parliament and we would take the appropriate action.

I would like to thank fellow committee members. It has been an absolute privilege and a pleasure to serve alongside the member for Frome (as our chair), the member for Light, the member for Hammond and the member for Chaffey. I would also like to thank those local members of parliament who sat in on our hearings in the regions. The member for Schubert was there, the member for Flinders was there and the member for Goyder was there when we went to the Yorke Peninsula. Thank you for giving up your time.

It was through the stories that we heard by going out into the regions on all sides of parliament that led to this being a committee that was formed with the support of both sides of the house, and, of course, the Independents, because we had all heard the stories and

we all wanted to get to the bottom of it. One of the things we did in Canada was to meet with Earl Geddes, the Executive Director of the Canadian International Grains Institute. I really want to thank Earl for setting up a series of meetings that meant that we could do three provinces in 4½ days.

Earl did say to us that the main competitor they have in Asia is Australia, and that when the Australian Wheat Board disappeared so did all the posters in the mills and the other operations around Asia. He said that there is no doubt that Canada has had a leg-up by what has gone wrong in Australia. We need to make sure that things are corrected in the regions of South Australia, but we also need to make sure that things at the end of the market are also improved, and we need to make sure that we as a state and the grain industry here are actually meeting the market in terms of the research that we do and the innovation that we do.

As I said, our group will continue to meet and will continue to keep an eye on things over the summer. I look forward to the final report being presented in this place next year. I would also like to thank the parliamentary staff, David Pegram and Rachel Stone, who worked on the committee with us and travelled the state with us, as well as John Parkinson, our research officer. Thank you very much for all your help. I also thank the Hansard staff who came with us around the state.

Mr PEDERICK (Hammond) (11:19): I fully endorse the comments by the member for Frome, the Chairman of this select committee, and the member for Mawson. This has been a great committee, and I am so glad that I managed to introduce this into the parliament on 9 March. From my research, we met 27 times, and we heard oral evidence from 115 witnesses and received 53 written submissions. That outlines just how important the grain industry is to this state. We note that it is the biggest export earner for this state, still well above mining, and it should be so recognised.

Before I go on with more remarks in relation to the interim report, I too would like to reflect on the cooperation between members of the committee. I salute the work of Geoff Brock, the chairman, and my co-members Tim Whetstone, the member for Chaffey; Leon Bignell, the member for Mawson; and Tony Piccolo, the member for Light. We certainly have worked well together and will continue to work well together so that we get a completely bipartisan outcome for the grain industry of this state, as we are all very serious about the future of that industry, and this committee is working exceptionally well.

I also compliment the staff who have been working with us on this committee: I note David Pegram, Rachel Stone, and John Parkinson, who does all the research work, and all the Hansard staff who have assisted us not only in this place but as we travelled around the state far and wide to record the transcripts of evidence, set up for meetings, pack up and move to the next meeting. As members of the committee would realise, we had some pretty fast moves some days. We chartered a plane over to Eyre Peninsula, moved around there for several days, and came back through Yorke Peninsula. We also met with farmers and marketers across the Upper North and met with growers in the South-East, the Murray Mallee and the Riverland. We have had a pretty fair go at making sure that everyone involved in the grain industry can have their say.

As the member for Frome, the chairman, indicated earlier, this committee was formed because of the angst caused to producers during the last harvest when the main operator of the grain handling industry in this state, Viterra, refused access to falling number machines. I have indicated in this place before that I was constantly on the phone to Paul Tierney. I have always acknowledged that Paul Tierney, the Corporate Affairs Manager for Viterra, would always ring me back if I did not get him in the first instance. I was almost pleading with him in December and during harvest to just give the farmers access so they knew they were getting the right quality. Viterra would not move its position.

Sadly, that has taken hundreds of millions of dollars out of regional South Australia that could have been passed on through the households and assisted in paying off land and in purchasing an upgrade of machinery. Sadly, that opportunity has been denied, but it looks

like we are on the up. Viterra has indicated that it is purchasing 78 falling number machines, and it has stressed that this has been at the great cost of \$4 million. That may be so, but I understand that Viterra also spent \$2.6 million on its signage in the last 12 months, so I do not want too many tears shed over the \$4 million when we have had over a 10 million tonne harvest come in. Most of that obviously has to go through the shipping stem of Viterra and out through the Viterra ports, which are an absolute monopoly.

In saying that I must congratulate the other operators who did operate in a difficult harvest. They are difficult harvests—wet harvests and sprouted grain—there is absolutely no doubt about it. I dealt with it in 1992 and 1993. South Australian Cooperative Bulk Handling managed to handle the situation then and get access to about 80 falling number machines. Viterra used the excuse that it would hold up the lines. I do not think holding up the queues was a good enough excuse. As I have indicated in this house before, people were managing to upgrade the rate per tonne for their grain by up to \$130 by getting an upgrade in classification and going to a GrainFlow site and getting access to falling number machines. It certainly looks like the grain players—mainly Viterra—are the ones that would not give access to these machines. However, it looks like they are going to give access, but we are yet to see the formal policy rules that will be in place for the use of those machines. I just hope they come into place immediately when grain is classified off-truck.

It is interesting to note that farmer deliveries were not classified with falling numbers but, if a third-party trader wanted to get their grain into a Viterra site, it would have had to go through a falling number machine. Also, when it is out-loaded onto a train, it has to go through a falling number machine. So, it absolutely fell down at the first-point delivery by the landholder.

I am very pleased that there were other options for many growers to deliver their grain. I just hope that the industry as a whole—not just Viterra, there are plenty of other players in the industry—take a good look at our interim report. As the Chair indicated, there is plenty of work to do. We want to have a very good look at the grains industry. We have more work to do on transport infrastructure, access to ports and the transparency of information, even though we have made recommendations about the transparency of information in this interim report.

Having been involved in the grain industry all my life, I have often said that you can have a grains committee go on for ever, but I am very pleased that we will still be in motion over the next harvest so that we can monitor events and see which of our recommendations are taken up.

I want to reflect on a couple of other things that have happened recently. One is the Canadian trip, which I thought was a fantastic insight into how the Canadian grain industry works. I would like to personally thank my Conservative political friend, Cliff Graydon. I met this man in London last year at the Commonwealth Parliamentary Association Conference. I gave him a call and said, 'We'd like to come to Canada and look at the industry.' He got in touch with Earl Geddes, the Executive Director of the Canadian International Grain Institute, and everything went from there. They did great work.

We went to Winnipeg, which is basically the centre of the Canadian grain industry. We met with representatives from the Canadian International Grain Institute, the Canadian Wheat Board and the Canadian Grains Commission. They have some great initiatives in place, where people can challenge classification.

The Canadian International Grain Institute, which does the research work, brings people in to see what they are doing with grain. It is taking the lead role, not just for any one particular body but for all the major players in Canada, and there is plenty of competition, with the Pattersons, the Cargills, the Louis Dreyfuses, the Richardsons, etc.

The trip provided a fantastic opportunity to get an insight into how things work in Canada. What intrigued me was that producers can still load their rail trucks—they call them cars—produce the cars at their local siding, if they book them, and send them in, fully trusting the Canadian Grain Commission's sampling and classification when it gets to the other end. They

have a great system over there, and it works well. I think there is obviously an opportunity to perhaps down the track have a national oversight body in this country to make sure that we get it right and that we do not see the absolute stuff-up that occurred at the last harvest happen again.

I ran into a young casual Viterra classifier on Saturday night. She was pained in telling me the story about how they had to deal with different sprouting limits during the day that changed three times. She vowed and declared that she would not want to go back there again. So, that was the effect it had on staff, and we had those sorts of messages imparted to us during our tours around the state. So, let us just hope that that improves, because I think it was certainly an occupational health and safety issue in that staff had to sample grain only visually and not objectively.

We have the four recommendations there, and we certainly have other points that we are looking at into the future. I commend the interim report. I think the committee has done great work. I thank the committee and the staff, and I thank Hansard for what they have done as well.

Mr VENNING (Schubert) (11:29): First, as always, I will declare my interest as a grain grower and also that my brother is one of the two South Australian directors in Viterra which, of course, causes no end of family ructions in our house, particularly now that this company is listed on the stock market and is out there to protect its shareholders. In the old days, grain authorities looked after farmers. That is no longer the case. They look after the shareholders now, which they are obliged to do, of course, by the laws of this land.

I commend the committee for a job well done. I attended a few committee meetings. Well done to chairman Brock; he did a great job. I envy members of the committee because they would have had a very good look at the country and met a lot of very fine people on their trip. There are four recommendations. The first one is:

That GTA be required to mandate that, in the case of a disputed grain classification, an objective measurement be made available to the farmer at the sampling point.

I totally agree. I could not agree more with that. This was the single biggest problem during the harvest, where farmers lost thousands and thousands of dollars by, in some cases, alleged mis-sampling and mis-classification of their grain. There were certainly some disputes.

I am very concerned that they did not do a deal with CBH, Western Australia, and get the falling numbers machines across the border. They were not using them because they had had a poor year. I am very pleased that they have now arranged to buy enough falling numbers machines for access to most farmers. So, that was the single biggest problem.

Also, I believe, as I heard in some of the evidence and read in some of the paperwork, that where a load is classified at a certain silo and when it cannot be delivered to that silo, the farmer should be able to take it on to another silo where it can be delivered without another classification.

What was happening was that they would get down to the next silo and be reclassified as something different, so they would have to go back again. Hopefully, that will be resolved, so that once it has been classified, with a certificate and a time limit on it, because we do not want anybody going home and unloading and reloading—there are ways, by putting a tape across the tail board of the truck even—so long as it is delivered in a timely manner that should be the case. Recommendation 2 is:

That the relevant Commonwealth and State Ministers be requested to provide direction to the industry on the implementation and enforcement of a dispute resolution process that mandates the use of objective tests.

I find this a bit confusing. It needs to be more specific in what it really means. How do the state and federal ministers get involved, and should that be regulated? Should that come under some legislation before this or the other house in Canberra? The third recommendation is:

That grain handling and storage operators be required to publish an annual management plan for receipt sites prior to each harvest. The management plan is to be prepared in consultation with Silo Committees, Local Government and other relevant stakeholders.

Yes; but do not overreact. We are already seeing an overreaction. We do not need even more paperwork, more regulation and more bureaucracy, but we are seeing it, particularly with the safety regulations.

I am told that for me to go for my one or two trips a year to the silo, which I do out of tradition, I go in with the last load, I now have to go in with a vest and a hard hat, do a test and be authorised to go onto the site. What a lot of rubbish for my two trips, but if it is consistent with safety then I suppose I can understand.

During the harvest, I did go at night to the Wheat Board site and to my joy it was open until midnight. The Viterra site was closed. It was the middle of the night, there were people running around everywhere and I was happy to put a vest on so that I could be seen and so that I did not get flattened. We cannot afford a by-election in Schubert.

So, I am happy with that, but the hard hat, I think, is a bit over the top, particularly just to get out of the truck to go up into the sampling shed. Hard hats and vest—over the top.

Mr Bignell interjecting:

Mr VENNING: There was an accident, I understand, but I think that is a bit over the top. The fourth recommendation is:

That information re stock levels and grades be made available in a timely manner to farmers and traders to ensure transparency and fairness.

Yes; absolutely yes. That is the single most important recommendation on this paper, because everybody needs to know where the grain is.

Just because Viterra is a marketer—not only a marketer, they are also the handler—they should not have any extra competitive advantage over anyone else in knowing where the grain stocks are, the samplings and everything else. So, I think that is a very important recommendation: the access by third parties to that information. An addition to this, you might look into a further report, Mr Chairman, is in relation to the grain path from the various silos onto the ships. We have heard various accusations that the other third parties, if they can get access to the port, cannot get access to the train or the weigh bin at the silo. There is always a problem that the third parties seem to have about getting access.

Whether this is just put up there as a smokescreen attacking a monopoly, which we have here, I do not know but I do know that the second biggest grain holder in the state, GrainFlow (now called Cargill), has hardly moved a grain at this point. Here we are six to eight weeks before harvest and they have hardly moved a grain. When I asked the question why not, they said, 'Well, we can't get trains.' The accusations that Genesee & Wyoming and Viterra have done deals, I cannot substantiate those, but these are the accusations floating around out there. You cannot get access, the cost is too high, and so the grain is still sitting there. I hope it moves in the next few weeks.

I appreciate the work done by David Pegram and Rachel Stone. Well done. They are two very good officers of this parliament. Remember that we no longer have a single desk in this state or a grower-owned cooperative to handle our crop or a grower-owned marketing body. Worse than that we have put them together and we have given them to a private entity, which I think was a very bad move.

We have made mistakes, farmers have made mistakes, particularly SAFF has made mistakes, but this is a direct result, I think, of that mistake. We now have to live with it, and I think that the committee has done a pretty fair job of saying, 'Hang on. This is what happened. This is what we are going to do, and we have to move on.' I support the motion and commend the committee's report.

Mr PICCOLO (Light) (11:37): I would like to make a couple of comments in relation to this matter in support of the receipt of the report. Firstly, I thank all the members of the committee and I concur with the member for Hammond that the committee has worked very well together, and I also thank the member for Frome for his leadership of the committee, and the parliamentary staff and the research officer who have provided valuable advice and assistance to the committee.

I will not mention all the things that have already been covered by other speakers because I do not think it is helpful, but I would like to make a couple of comments. Firstly, I would like to respond to the member for Schubert in his ongoing attack of SAFF. Whatever Venning's problem is with the Farmers Federation, it is their problem, but I must confess that—

Ms Chapman: The member for Schubert, thank you.

Mr PICCOLO: Sorry, the member for Schubert. Sorry. What did I say?

An honourable member: Venning.

Mr PICCOLO: Whatever the problem the Venning family has with SAFF is a private matter and they should deal with it. One gets a little tired of every opportunity where the member for Schubert gets up—even in giving evidence to the committee he had a go at SAFF. I would have thought that SAFF actually speaks more for that industry than the Venning family do, and certainly the evidence to the committee would suggest that, too.

Mr Venning: What a poisonous twist!

Mr PICCOLO: You raised it.

Mr Venning interjecting:

The SPEAKER: Order!

Mr PICCOLO: Hold on. You—

The SPEAKER: There will be no arguments across the floor in this place.

Mr PICCOLO: The member for Schubert opens a door, then he closes it once he wants to.

Mr Venning interjecting:

The SPEAKER: Order, the member for Schubert! And member for Light, back to your speech.

Mr PICCOLO: Thank you, Madam Speaker. A couple of things I think are important are that, firstly, I disagree with the member for Schubert. I do not think we should trivialise occupational health and safety, and the way he portrayed that—if he wants to have his traditional one visit to the silos, that is his problem. Other people go more than once. We should never underestimate the importance of making sure that our people who work in these sites are kept safe. Every year you hear of one person or another who actually loses their life on farms or in the farming area, and it is a very sad loss for the families and a great loss to the community. So, for the member for Schubert to stand up and trivialise what is an important issue is quite disgraceful.

Getting back to the report, one of the important things this report highlights (and our inquiry highlighted) was the issue of market failure and the power of a one market player, which I think is one of the critical issues we need to address as a committee. It is quite clear from the evidence put before this committee that the lack of competition, and particularly lack of competition for the whole supply chain, is actually holding back the industry and it is hurting farmers in quite a big way.

First, I wish to talk about recommendation 2, regarding the importance of having a dispute resolution process. Secondly, point no. 1, in terms of future directions, indicates that current regulations are not providing the base for a rigorous and competitive market.

For this industry to survive and to be sustainable in the long term, we need to have a very competitive environment for farmers to get a fair go. For farmers to get a fair go, they need to be not necessarily price takers but be able to compete in the marketplace with a number of people in the whole supply chain. Unfortunately, the evidence suggests that we do not have that. Farmers are having difficulties in terms of storage, handling and also getting their products onto ships for export.

One thing we can do as a committee is to help improve competition in the whole industry, then I think we would have achieved a great deal. Whether we do it at the federal or state level needs to be decided, but my view would be that, if we cannot get our federal colleagues to do anything, we have every right to do something at the state level and lead the way in reform, as we are trying to lead the way in reform in other areas. Hopefully, the other party will come on board on that issue.

Mr Griffiths interjecting:

Mr PICCOLO: Thank you; we will come back again. I think the committee will have to turn its mind to some sort of legislative framework. I agree that we do not want to reregulate the industry, but we need to make sure that we have the appropriate legislative framework which actually promotes competition in the marketplace, because that competition will lead to a sustainable industry and help farmers and our rural communities.

Mr VAN HOLST PELLEKAAN (Stuart) (11:41): I will just say a few words. I was not a member of this committee, but I am very fortunate in the electorate of Stuart to represent some absolutely

outstanding grain-growing parts of this state. I also represent some areas that are generally considered to be marginal country, and many people growing grain in the electorate of Stuart are outside of Goyder's line.

I will not go over the things that have already been said, other than just to highlight that I know from speaking to all members of the committee that it was a piece of work that was entered into in a very bipartisan fashion, and I commend all members, including the Chair (the member for Frome), for that.

Highlighting, obviously, how very, very important safety issues are, and never wanting to discount that, my fear is that, as years progress, companies like Viterro may choose to use safety regulations to squeeze out smaller grain growers, and to make their operations extremely difficult for small grain growers from marginal areas to access. I really do worry about regulations such as having registered drivers and already some vehicles are not allowed to drop off grain at Viterro sites. Having said that, I have always respected and supported safety regulations, but if we move to a world where small deliveries are not allowed into grain receival sites, this will have an exceptionally damaging impact on farms throughout Australia and certainly many within the electorate of Stuart.

You can imagine a situation where, if under the guise of safety regulations, small deliveries of 5,000, 10,000 or maybe even up to 15,000 tonnes are not allowed into Viterro or other receival sites. That will have a dreadful impact on many farmers. They would have no choice—because the small farms obviously cannot afford to buy their own trucks all the time—but to move to contractors. Contractors would have no choice but to require full loads on their larger trucks, and this is something that, for many farmers in the electorate of Stuart, would be quite impossible to meet. I do really worry that, as time goes on, it will be very difficult.

You can see a situation where, to shorten the queues, a grain receiver might say, 'You can only drop off 15,000 or 20,000 tonnes as an absolute minimum,' and then pushing farmers out of business in that sort of situation. I would just like to put on the record that I worry that that might be coming and I will certainly do everything I can to fight against it. I have already seen and we are seeing as we speak the demolition of very small silos all around the state. I would hate to see grain receiving companies' commercial interests and their commercial gains, under the guise of safety, to really, really damage some of the small farmers, the poorer farmers, the people who need the most help.

Mr BROCK (Frome) (11:46): I thank all the speakers for their input. I take on board the comments of all the speakers. There is a lot more work for the select committee to do. We indicated that at the start. There are a lot more issues with port access, rail access, and infrastructure, so we will look at that.

Motion carried.

Mr BROCK: By leave, I move:

That the time for bringing up the final report of the committee be extended until Wednesday 23 November 2011.

Motion carried.