



20 April 2009

Ms Ingrid Smith
Returning Officer
Agricultural Produce Commission
Sort Bin 24
3 Baron Hay Court
Kensington WA 6951

Dear Ms Smith,

RE: NOTICE OF INTENTION TO CONDUCT A POLL OF WA TOMATO GROWERS

On behalf of Mr Dave Wren, vegetable and tomato fruit grower; and member of the Economics and Business Management Committee of the Pastoralists and Graziers Association of WA (PGA) I am pleased to present this submission.

The PGA is a non-profit industry organization established in 1907 representing primary producers in the agricultural and pastoral regions of WA. The PGA participates in key industry and commodity groups promoting the welfare and profitability of the interests of its members through the encouragement of private enterprise. The PGA has a strong membership from all facets of the broad acre agricultural industry which is facilitated through a State-wide District Committee structure which enables grass-root input on all policy matters to our members in regional, rural and remote areas of WA.

The PGA membership base ranges from grain growers, livestock producers, pastoralists, and horticulturalists. Increasingly members have requested assistance with responding to marketing, property and water rights issues arising from Commonwealth and State legislation and regulations.

Your consideration of this submission which raises concerns about compulsory fees will be appreciated.

Yours faithfully,

Sheldon Mumby
Policy Director
PGA Economics and Business Management Committee

Copy to : *Scott Mitchell*
Chief of Staff
Office of Hon Terry Redman MLA
Minister for Agriculture and Food Forestry



**SUBMISSION TO THE
AGRICULTURE PRODUCE COMMISSION**

**ON NOTICE OF INTENTION
TO CONDUCT
A POLL OF WA TOMATO GROWERS**

**ON BEHALF OF PGA MEMBER
DAVE WREN, KARRIDALE
VEGETABLE AND TOMATO FRUIT GROWER**

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INTRODUCTION

The Pastoralists & Graziers of Western Australia (Inc.) (PGA) opposes the Agricultural Produce Commission (APC) Act and the Act's powers to impose services and establish a compulsory fee on producers to pay for the services listed in Section 12.1 of the Act. The APC Act allows a shift in decision making discretion away from the individual, the family and voluntary industry Associations and towards Government and within Government towards unelected officials.

Hence the PGA object to the proposal to poll Western Australia tomato producers on tomatoes being included as a APC Vegetable Producers Fee for Service paying product. The PGA has received numerous requests from regional tomato growers to write this submission. These growers are from the Margaret River, Manjimup, Donnybrook and Albany districts.

The APC Vegetable Producers Committee whose establishment was approved by the APC Commission on 18 March 2005 based on a poll of which only a total of 139 yes votes from the 504 vegetable growers members claimed by the WA Vegetable Growers Association (WAVGA) who supported the establishment of a fee-for-service for WA vegetable growers. This was contrary to the intention of the State Parliament where former Minister Monty House, when introducing the Agriculture Produce Commission Bill in 1997 stated in his second reading speech:

"In order to establish a growers committee, a poll of all relevant growers must be conducted, and at least 75 per cent must vote and 70 per cent must agree before a growers committee can be formed and fees for service collected"

The APC Commission approval to establish the APC Vegetable Producers Committee for the vegetable industry excluded tomato producers. Tomatoes are botanically a fruit and are listed with other fruits separate from vegetables at the Perth Market Authority daily price indicator.

The PGA requests from the APC the method the APC is using for determining an eligible tomato producers list and a copy of the list to ensure the list contains current tomato growers for the proposed poll. The process of how the list is formulated and the list availability to those opposed to the proposed poll is critical to ensure that due process and proper corporate governance is heeded. The APC has already advertised a changed of date from 30 April to 7 May 2009 for the closing date of the proposed poll of tomato growers without any consultation with growers of the tomato industry.

In 2004 the WAVGA proposed that the Vegetable Producers Committee be established and submitted a \$5000 deposit to the APC to cover the poll cost. The December 2004 edition of the WA Grower magazine stated on page 5 that:

"A fee for service of ½ a cent for containers sold up to 100kg and 5 cents for containers sold over 101kg will raise \$80,000 for growers of WA to lobby and continue to have their say on a multitude of issues that are connected in some way to their businesses."



One industry, one organisation and one voice the West Australian Vegetable Growers Association (Inc) is for all growers. Please exercise your democratic right and vote yes in the up coming poll."

Lobbying is not one of the principles of any of the fourteen service functions listed as (a) to (m) under the APC Act. It is the responsibility of the Vegetable Producers Committee and the APC to ensure funds are expended for which they are raised. It appears that they may be in breach of their responsibilities.

The executive officer of the Vegetables WA (*the trading name for the former WAVGA and the Potato Growers Association of WA*) also is the secretary of APC vegetable producers committee. The committee is dominated by the Executive Committee of Vegetable WA members. The fee for service of ½ a cent for container sold to 100kg set in 2005 (*as promoted in the December 2004 WA Grower magazine*) was increased by the APC vegetable committee to 4 cents in 2008. In 2005-06 the levy raised \$30,551 and with the increase of 4 cents in 2008-9, \$388,857.55 was budgeted to be raised.

The APC vegetable committee approved spending the budgeted \$388,857.55 of vegetable growers' money on projects such as:

1. Spending \$15,000 on the development of a Business Plan covering Vegetables WA/Potato Growers Association
2. Spending \$ 232,000 for Vegetable WA funding
3. \$50,720. 55 for APC financial charges for collection

There is conflict of interest and a different impression regarding the validity of spending the above funds raised under the APC Act under the section 12.1 list of service functions. It appears that the majority of the funds are being used as cash flow to subsidise lobbying activities for Vegetable WA.

In regional WA there are several local grower and improvement groups which reflect local growers' needs. Many tomato growers are members of the PGA which carries out lobbying for its members. Many growers who are 'fee for service charge' payers are not members of the Vegetable WA. As these growers currently pay voluntary membership fees to the their local or state farming groups, why should they be compelled to fund Vegetable WA whose policies they are opposed to?

Membership fees should be voluntary and tomato growers should have the right to decide how, or whom they wish to lobby on their business's behalf. The PGA is currently representing growers on several industry issues including progressing the Horticulture Business Code, Deregulation of Statutory Marketing Boards and the National Water Initiative.

Vegetable growers in regional areas twice have expressed disdain for polls on proposals by the APC to be included in Vegetable Producers Committee. The proposals to establish that committee held in 1999 was voted down comprehensively with an 87.5% 'no' vote and in 2005 only 1/3rd of growers voted 'yes'. Tomato fruit growers will not tolerate any unwanted "fee for service charges" by the committee. These growers have invested in large scale irrigation systems and produce high volumes of produce and do not need the



additional cost of a fee per container of produce sold imposed by a self appointed vegetable committee with the blessing of the APC Commission to fund their vested projects and travel expenses.

The APC poll proposal should be withdrawn in the best interest of the WA tomato fruit industry, and to support a policy of progressive agriculture through out Western Australia.
