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REPORT OF THE
SELECT COMMITTEE INQUIRING INTO THE FRUIT AND VEGETABLE
INDUSTRY
IN WESTERN AUSTRALIA

Presented by: Hon P H Lockyer (Chair)
Tabled in the Legislative Council on December 11, 1984



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The Select Committee was appointed pursuant to Legislative Council Standing Order No. 373 on Wednesday October 12 1983 with the following Terms of Reference.

Pursuant to Standing Order No. 373, it is hereby notified:

18. That a select committee be appointed to inquire into and report on:
 - (a) the state, management and potential growth of the fruit and vegetable industry in Western Australia; and
 - (b) without limiting the generality of paragraph (a), to have particular regard to the following aspects;
 - (i) production;
 - (ii) storage;
 - (iii) distribution
 - (iv) marketing/sales methods;
 - (v) inter-state commerce and overseas exports (both actual and potential) and
 - (c) generally, such matters arising from, or incidental to, the foregoing which the committee believes should be brought to the attention of the Government.

The Committee to report not later than 30 November 1984.

19. The Hon P H Lockyer, seconded N F Moore, moved,

That the select committee on the Fruit and Vegetable Industry comprise the Hons G C MacKinnon, Kay Hallahan, S M Piantadosi and the mover, and that any three members shall form a quorum, and that it have power to adjourn from place to place and sit on those days over which the Council stands adjourned and that it have power to send for persons, papers and records.

MEMBERS OF THE COMMITTEE:

Hon P H Lockyer (Chair)

Hon G J Edwards

Hon G C MacKinnon

Hon S M Piantadosi

STAFF OF THE COMMITTEE:

Ms L Coen (Clerk)

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The Select Committee acknowledges the assistance given by the following individuals and organisations:

Officers from the Department of Agriculture, both locally and interstate who arranged and accompanied the Committee on numerous inspections of research stations, markets and properties, and for the invaluable background material which they provided;

Mr Ian Manning, Secretary of the Metropolitan Market Trust, for the several occasions which he spoke with the Committee, and the material he provided to assist with the inquiry;

The management and officers of Woolworths (WA) Ltd and Sumich & Sons for the inspections organised for the Committee;

The many growers, producers, agents and individuals who presented submissions;

And finally the producers who readily gave their hospitality and time to assist the Committee with inspections of their properties.

METHOD OF INQUIRY

The Committee's Terms of Reference were advertised in both metropolitan and country newspapers, and written submissions were invited. Twenty-three written submissions were received, with a number of organisations asking to give spoken evidence in preference to written.

The Committee undertook inspections of a number of markets, properties and Agricultural Research Stations both intra-state and interstate, and took evidence from individual growers, grower organisations, business people involved in the industry and some country Shires.

The schedule comprised:

January 22 - 26	Weekend Markets, Rockingham, Subiaco, Midland and Wanneroo; and gardens at Wanneroo, South Coogee, Mandurah; The Metropolitan Market Trust; packing sheds and distribution points for Woolworths.
February 27 - March 1	Donnybrook, Bridgetown, Manjimup, Nannup, Margaret River and Harvey.
April 30	Oro Orchard - Dwellingup.
June 10 - 14	Carnarvon, Geraldton, Northampton, Irwin.
August 30 - September 7	MELBOURNE - Footscray, Werribee, Geelong, Bacchus Marsh. SYDNEY - Gosford, Narara, Flemington. BRISBANE - Rocklea.
September 14	Swan, Stoneville, Medina. (Agricultural Research Stations)

FRUIT & VEGETABLE SELECT COMMITTEE

Your Select Committee enquiring into the Fruit and Vegetable Industry in Western Australia has deliberately not hurried its investigation or findings because of the need to examine the Industry and carefully consider its conclusions.

Your Committee has received both written and oral submissions, and has travelled extensively throughout Western Australia and to the major market areas of the Eastern States.

The situation in Western Australia concerning the marketing of fruit and vegetables seems to be at the crossroads. There has been a quite marked turn to direct selling between major wholesalers and major outlets in the State. There has also been a swing away from the Metropolitan Markets and the Committee believes that there are several reasons for this.

The most pressing reason is the antiquated set-up that surrounds the present Metropolitan Market in West Perth. The Committee later in this report, will make some major recommendations concerning this.

A second reason for consideration is the marked increase in local fruit and vegetable consumption, leading to orders which are too large and which are required too quickly for the conventional market facilities to cope (bulk purchasing).

Western Australia has the opportunity to build the most modern market in Australia, and one of the leading markets in the world. Apart from South Australia, Western Australia is the last of the mainland States to build a new market. Successive governments have given consideration to shifting the market, and only recently a decision has been taken to re-locate the markets at a site in Canning Vale. Your Committee believes this was a correct decision and it is

only the time factor of the shift around which the recommendations will centre.

Your Committee has no intention of making many recommendations concerning the actual structure or the set up of the market as it believes this should be left with those people who have considerable experience in this area, and your Committee agrees with the steps that the Metropolitan Market Trust are taking at present. Your Committee does encourage the use of information from other major centres, particularly Melbourne, Sydney and Brisbane, and from the people involved in the set-up of those particular markets, in assisting the design of the Western Australian site.

A general response from some members of the fruit and vegetable growing community is that they are not always satisfied with the way their product is marketed or the return they get. Your Committee recognised that, like every other primary industry in Australia, this is a fairly general reaction, however, it has become apparent that many growers have lost confidence in the Metropolitan Markets and agents as they are presently constituted.

The activities of the major retailers and wholesalers in dealing directly with the grower is, by and large, a fair arrangement. Doubt always remains in the minds of people when no bench mark is set for the price of their product. It seems that the fairest way for people to dispose of their product is through a centralised system. The centralised selling need not be materially factual, and indeed, for some large orders, or to fill export contracts, the passage of the goods through the central market needs to be notional only.

The following comments are made bearing in mind the Terms of Reference of the Committee.

1. State management and potential of the Fruit and Vegetable Industry in Western Australia

Your Committee found that the industry has been in a state of rapid growth, particularly over recent years. This growth has been in two areas:

- . The diversity of species and varieties;
- . The diversity into export and interstate markets.

In some areas this diversification has been carried out very professionally, although this could not be regarded as being an across the board observation. It became apparent to your Committee that almost 100% of people interviewed or visited in all areas of the fruit and vegetable industry expressed the need for quality control. Some growers exercised the control at the point of picking and packaging. This was not however a general finding. In some areas quality control was quite poor and this was evident at a few individual gardens and orchards within any given area.

This is in stark contrast to operational procedures that the Committee saw practised in interstate markets.

Your Committee observed some produce being condemned outright, some re-graded and others re-graded and re-packed.

Many growers, who are themselves meticulous in their quality control, suggested that top returns would only be ensured when strict and universal quality control was applied.

This problem would only refer itself to produce that goes through the Metropolitan Market and the question is then, how to enforce quality control in for example, a sale between a grower and wholesaler and retailer. Your Committee believes that in this case that the wholesaler or retailer would find their own level as far as quality is concerned as

they would not normally accept produce from a grower that was below the required standard. It was generally found with the large retailers and wholesalers that they set a very high standard and the arrangements between growers and themselves had found their own level.

Your Committee found that there was an enormous potential for growth in the Industry but that it would be dependent on several factors.

1. The population growth in Western Australia
this will provide an obvious base for steady increases in local production and consumption.
2. The introduction and the growing of new varieties that are currently imported or purchased interstate. e.g. kiwi fruit, mangoes, avocados, babaco, pepino, feijoas, paw paw and lychees.
3. Exploitation of prospective export markets, particularly to the near Asian and Middle-East countries, Singapore, Hong Kong and the Persian Gulf areas (perhaps the most important factor).
4. The trend to increased consumption of fruit and vegetables, in general by health groups, has led to the need for a far greater variety of produce. This has brought species of fruit and vegetable onto the market, which a few years ago would have been considered exotic.

The principles and procedures of this particular trade have been very well established over the years mainly by a small band of exporters. It is regrettable that the transport now seems almost entirely dependent on shipping. There is every likelihood that this situation will remain, although the Federal Department of Aviation and Transport has seen fit to allow more air cargo flights into Western Australia. Your

Committee believes that it would be advantageous for this to be expanded, and this is discussed in the export section of this report.

There seems to be little or no place for Government intrusion into the area of marketing. Modern systems of communication have given the local entrepreneurs an almost instantaneous contact with marketers at the point of sale. Problems can be dealt with daily on a personal basis and this ensures a quick response to market changes. Handling methods, though good, are strictly limited in time. Delays of even one day can be vital, particularly with a limited carrying and shelf life, no delays in transport at any stage can be tolerated. These areas will also be dealt with in more detail in the export section of the report.

Your Committee noted some interest by Government or Government controlled organisations in the area of marketing. Your Committee suggests that any such interest should be approached with great caution.

2. Production

The production of fruit and vegetable in Western Australia is one that appears to be a controlled and efficient operation. The reliable production of fruit and vegetables, with regard to both quality and quantity, depends almost entirely on the supply of water.

Quantity - naturally the availability of water restricts the areas available for gardening. The per acre return from gardening is, by comparison with most other forms of agriculture, immense. Where water does occur in sufficient quantity every effort must be made to ensure that its quality is maintained.

Quality - problem of salinity must be a matter of concern that requires constant attention by the Government

and growers. Salinity can of course occur from surface runoff, it can also occur from intrusions into the aquifer caused by over pumping. Both should be monitored rigourously and adequate preventative action must be taken.

Your Committee carefully considered the water problems throughout the State, and found that no one area was free from this problem. The cost of water to the producer and the sharp rises in the past few years are an obvious concern. This is evident in market gardens close to Perth and it is an area that the Government of the day needs to closely monitor. Your Committee was struck by the advice it was given, about the evidence of increasing salinity which was in all probability caused by the overclearing of the surrounding land, particularly in the Margaret River gardening areas. The intrusion of saline water is also a threat in the coastal flats between Mandurah and Bunbury. In the Warren districts many good dam sites have already been lost through roads being built along valley floors. An early examination should be instituted into the possibility of moving the location of some, if not all of these roads.

Your Committee was impressed with the range and quality of the winter crops of fruit and vegetables being grown in the Carnarvon basin. Your Committee was acquainted with the major problem, which is the unreliability of the water supply to the plantations. A number of solutions were suggested to the Committee, these included a dam in the Kennedy Ranges; flood gates under the Gascoyne River Bridge; diversion of water into holding areas for use in later periods; artificial recharging of the aquifer.

All of these possible solutions should be thoroughly examined in order to find the most economic and best method of increasing the reliability of the water supply to Carnarvon.

However, great progress has been made in recent years to achieve better water use through better reticulation methods. The use of low level sprinklers drip-feed and plastic mulch has had a dramatic effect on conserving available water supplies. This practice could easily be extended if finance was readily available for growers in order to purchase the necessary equipment. It is suggested that growers could be encouraged to adopt these water saving methods by the extension of Farm Water Supply Loan Scheme.

Your Committee recognises that the Carnarvon region is a production area of immense potential limited only by the water supply factor. The significance of this area should not be under-estimated as one of an expanding base, directed toward local, interstate and export markets.

Your Committee feels obliged to express concern with regard to Geraldton as a tomato growing centre. Advantages seen for Geraldton in the past years have been overtaken by the introduction of new species of tomatoes. Lack of water from other than the reticulated scheme must also be seen as an inhibiting factor. All of these matters taken together would indicate the need for some concern with regard to the future of that district within the vegetable industry.

To this end the Government should endeavour to get a firm indication for local growers as to the viability of vegetable growing in Geraldton. Your Committee suggests that the Government order a Department of Agriculture survey with regard to the local problems of Geraldton. This report could be made available to those people presently involved or wishing to become involved in the industry.

3. Storage

Most fruit and vegetable crops do not lend themselves to prolonged storage. Nevertheless, it is essential that as long a life as possible should be secured for all fruit and

vegetables. This particularly applies to leaf vegetables. This problem seems to have been handled well in Western Australia. The development of different techniques, particularly in regard to the rapid removal of field heat from the more perishable produce, is a fine example of the new techniques being applied. Most producers and distributors recognise the demand of the general public for a garden fresh state of such things as lettuce, chinese cabbage, cauliflower, beans, and tomatoes. The consumer is demanding more and more, that the quality of these products be of a high standard, and it is therefore obviously in both the grower and distributors interests, to use the techniques that are available to them.

More growers are employing these advanced techniques on their properties and it seems that in the future it will become an absolute necessity. There is an increasing need for the major growers to give consideration to the provision in the garden for temperature control rooms.

Regulations covering such rooms are apparently geared to health laws with regards to storage of food for sale. This is the wrong emphasis for temperature reduction rooms and regulations covering such construction should be looked at with some urgency.

4. Distribution

The deregulation of the Transport Industry, especially as it was applied to road transport, seems to reduce much of the problems of distribution. Some of these problems still remain in Northern areas such as Geraldton and Carnarvon. The Committee believes the problem is one that should be examined in conjunction with the planning for the new markets.

It is suggested that road trains be allowed to use the Roe Highway system to the Canning Vale site. This could be done between the hours of midnight and 4.00am when there is a lot

less traffic on the roads and therefore less hazard to motorists.

It is recognised that the present road train assembly site at Upper Swan is necessary because of the need to keep road trains away from more densely populated areas. The future of large ring roads, such as the Roe Highway, will alleviate the problem considerably. Important considerations for the industry are savings and cost. Firstly, to the producer, secondly to the transport operator and thirdly to the consumer, with the advantage of having the product bought more directly to its destination. With the advent of the major growing areas in the South of the State it is imperative that planning needs cater for road trains to directly service the markets. Careful attention needs to be given to this problem by the appropriate Departments and forward planning begun.

5. Marketing Location and Planning

This area is one that caused a considerable amount of input from all sections of the industry. It appears that the shifting of the metropolitan market to the Canning Vale site is one that should have taken place some years ago. Your Committee recognises that the considerable cost of shifting the market has always been a concern for anyone involved. The biggest problem is to reduce the financial loss to the present operators. This area should be considered by the Government. It would be fair to say that the present metropolitan market is the most antiquated market in Australia. Your Committee is well aware of the Inter-Departmental Committee that is dealing with the shift and commends it for the work that it is doing. It also realises that the Metropolitan Market Trust, over a number of years has had problems concerning the move, placed upon it and it is difficult to arrange a relocation without the massive finance that is required for this operation. It is, however, regrettable that successive governments have not

taken the bit between their teeth and made some arrangements to transfer. We will not dwell upon that but rather look at the more positive steps that need to be taken. Your Committee believes that the Inter-Departmental Committee, along with the Metropolitan Market Trust is the right body as far as arranging the planning, and the only aspect that it wishes to comment upon is the time span.

Whilst it is believed that the sooner the transfer is made the better, some caution is also suggested. The desire for speed should not override the necessity for careful long term planning, and full integration of all aspects of horticultural marketing, operation, management and distribution.

Your Committee however, believes that these areas are specific ones and can be addressed by the responsible body involved, such as the Metropolitan Market Trust and the Inter-Departmental Committee. Perhaps some compensation should be considered for those operators who presently occupy sites in the markets and will be financially disadvantaged by an early transfer. However your Committee believes that any disadvantages occasioned by the market re-location will be outweighed by the benefits.

Whilst it seems that by and large the arrangements between growers and wholesalers are amicable and generally fair, most growers believe that a central market is important as a price fixing mechanism. Major centres in Melbourne, Sydney and Brisbane enjoy the benefits of having the bigger operators in their market. In Western Australia the major operators such as the chain stores and exporters take little or no advantage of the central marketing system.

There are several reasons for this, but the most apparent one is that the present market setup just simply cannot cope with the smooth operation that is demanded by the major users today.

It has been said before that Western Australia has the opportunity to set up the most modern market as far as a central market in Australia or the world. It is important that the major exporters, distributors and chain stores in this State be given every encouragement to have their warehouse facilities close to the market. It has become apparent in other States that this is of assistance to the market.

6. Marketing Sales Methods

Two methods of marketing are now firmly established in Western Australia. The private treaty and auction. Your Committee found that after its visit to the Eastern States, that Western Australia is the only State that retains the auction system. There has been a trend in Western Australia towards the private treaty method and your Committee believes that method of selling produce should be allowed to find its own level.

It was noted that in Melbourne and Sydney grower/sellers operated on the market floor, however, this seems to result from tradition in those States, and it is recommended that this should not occur in Western Australia. It is apparent that growers are far better employed in producing high quality goods and the distribution of the product is better handled by people with expertise in that area.

There is a great need for better relations between the producer and the seller as it seems that at times there is mistrust between these two groups. Whilst it is recognised that it is difficult to overcome this problem, it is suggested that the Metropolitan Market Trust needs to take a bigger part in liaising between the growers and agents.

There were examples cited however, where growers had packed good produce on top of the container, concealing inferior

grades below. The ability of other markets to order re-packing and sorting has already been quoted. Conversely, growers who pride themselves on personal grading complain that their top grade produce is sold at premium rates, whilst they find themselves credited with average returns.

Produce located at the garden is almost valueless. It only becomes of value when sold to a consumer. Cognizance must be given to the fact that the consumption of meals in the home is diminishing. Even those eaten at home are frequently take-aways. The demand of these establishments plays an ever increasing role of importance. Cabbage suitable for coleslaw could become even more important than the same vegetable for boiling.

Recognition should be given to an increasing attraction of vegetables as a main source of nourishment. Your Committee was particularly impressed with the organisation in Queensland where there is a Committee of Direction of Fruit and Vegetable Marketing. It is this Committee that directs the advertising campaign throughout Australia on behalf of the Queensland Growers. Some methods need to be found in Western Australia for an advertising campaign to promote fruit and vegetables in this State, and a means of funding the campaign must be established.

Your Committee notes that the Australian Dairy Industry had great success when it employed Peter Russell-Clarke to head a campaign to promote dairy products. The Committee believes that the Metropolitan Market Trust should be charged with the responsibility of organising and establishing an advertising Committee, and means of raising a fair and equitable levy on order to finance the campaign.

It seems that a levy needs to be considered so that everyone involved in the industry contributes.

7. Weekend Markets

Your Committee looked very closely at weekend markets and inspected those at Midland, Wanneroo, Rockingham and Subiaco. Whilst these are portrayed as grower markets your Committee found that in the main this was not the case. Your Committee recognises the acceptance of these markets and the requirement by the general public for this type of operation.

Your Committee however, is concerned that whilst they advertise as "cheap", "direct from the grower", type markets, in some cases, it is poor quality produce and not at all cheap. It's apparent that some operators in these markets buy produce from the Metropolitan Markets and re-sell it at these weekend markets. This of course will be controlled by the consumer as it became apparent that the public were careful in their selection.

Your Committee believes that the general idea of weekend grower markets is a good one, however, they need to be closely watched as they obviously affect operators during the week who pay rates and rent on shops. Your Committee is reluctant to recommend too many restrictions because, as previously reported, it is obvious that a section of the general public favour weekend markets. It was apparent during our inspections that the family unit quite often took the opportunity to browse around these weekend markets and a carnival atmosphere was not uncommon. Your Committee restricted itself to only the fruit and vegetable sections of these markets but it was obvious that they had expanded into many other areas outside fruit and vegetables.

It is believed that public access to locally grown produce marketed through roadside stalls is a desirable feature.

Your Committee is concerned that these markets and stalls

may escape the due attention of regular checks by local government health inspectors.

Rules and regulations covering health cleanliness, advertising, access and safety should be the same for the markets and stalls as it is for the regular retail outlet.

8. Interstate Commerce and Overseas Exports

We have dealt with some of these matters already, however, it is necessary to go into some more detailed areas concerning this section.

Interstate commerce would appear for the most part to be opportunistic and is regulated by the distance involved, particularly the road haulage distance. Currently the reaction to any shortages of fruit and vegetables in other States or this State is for the operators involved to take full advantage of the situation. We believe this is a healthy situation.

Your Committee reinforces the necessity for the strict adherence to quality control to be exercised by growers and packers. It cannot be stressed often enough that everywhere we went the knowledgeable and more professional growers talked of high standard quality control as being the prominent and stabilising aspect of successful competitive marketing. It is easy to lose a market with only one bad lot of produce. It should be remembered that even the chief store retailers claim that price was not the pre-eminent guide factor to successful sales, rather the general public were very insistent that quality is the overriding factor at all times. They asserted that provided the price was fully competitive, the final guide to purchases was the quality.

It is believed that trade between States is well supervised and organised by the present system, and no recommendations concerning this will be made by your Committee.

9. Export

The export side of produce in Western Australia has been a steadily growing area and one that is being well served at the moment.

Western Australia has an enormous advantage on its Eastern States competitors particularly in the shipping area where its close proximity to the markets cuts down the time of shipping.

The export trade seems to be well organised, and in the main it is in the hands of professionals. These people are experienced and skillful. They are in close touch with their markets and seem to have a good rapport with their suppliers and delivery people.

Western Australian operators have, of recent years been most successful in taking advantages of market shortages in other States.

Special attention should be given to helping in the matter of loading at the exit ports, and transport by whatever means to their destination.

Your Committee was made aware of the vulnerability of such perishable material during its transport through the port and to its destination. With the best available techniques presently in use, the life of most local vegetables is limited to days rather than months. Even one day could make a difference between a profit and financial disaster in established market places.

The overseas export market is a very delicate one, and Western Australia faces competition from all over the world. The buyers of these products are very cognizant of this competition, and have no hesitation in seeking more reliable suppliers should they find it necessary. There is a very

real fear in the export industry of the intrusion of any additional Government instrumentalities. Presently of course, there is a State Agriculture Department and a Federal Department of Primary Industries. Every indication has been given that these people handle the necessary Government side of things very well. Even as far as the quality control and contact between destination points and the suppliers which are so close, the action is virtually immediate. It cannot be stressed often enough that the major problem is the supply of sufficient reliable shipping between Fremantle and the ports of Hong Kong, Singapore and the Persian Gulf area.

Should any government instrumentality or department be tempted to intervene in the field of horticultural export, care should be exercised. Due recognition ought to be given to the expertise of those persons now engaged in that trade. Full collaboration should be established with them all at every phase which might be undertaken.

The Eastern States have an advantage on Western Australia as far as air transport is concerned because many more flights go to the Eastern States, and the larger population of that area enables more cargo space to be available. All available space on aircraft out of Perth is accounted for, and your Committee believes that constant investigation of the possibility of allowing "cargo only" flights out of Western Australia is one that is important. Your Committee understands that the Department of Air Transport has allowed an operator to take freight from Western Australia on a trial basis and it is hoped that this will be allowed to continue. Close consultation between the export people and the authorities needs to be sought to enable every opportunity for this lucrative market to be maintained. The only area where Governmental bodies need to be involved, apart from the normal quarantine requirements, is the encouragement to people involved in the export industry to seek new markets.

Your Committee realises that with exporters there is a great need to deal direct with the growers on particular products, as some require a certain amount of post-harvest treatment which has to be done on the field, and packing must be carried out as near as possible to that area. It is desirable that these exporters are given an opportunity to operate in the central market system as it assists that system and assists the market in setting a fair price for all concerned. It is healthy to have both these systems operating as it is for the advantage of the industry in general.

10. Metropolitan Markets Trust

Although in general the Metropolitan Market Trust is held in high regard, there was of course some criticism.

A number of areas expressed the view that representation should be granted on the basis of locality. This proposition was generally not accepted by your Committee.

At the present time the spread of the membership on a locality basis is quite good.

One of the bases for the criticism of the Trust's membership was that some of the more remote garden areas were never visited by the Trust members. There is reason to believe that there is some justification for this criticism.

Suggestions to overcome this are made below.

Another criticism which your Committee accepted was that there was little or no effort at advertising fruit and vegetables. It was accepted that a marked increase in the consumption of fruit and vegetables had taken place. Ethnic groups had introduced a number of new varieties which had

gradually spread in acceptance. The popularity of vegetarian meals was also playing a part in increasing consumption.

Your Committee has previously noted the apparent success which the Dairy Industry had obtained through the use of a promotion headed by Peter Russell-Clarke. It was also noted that the only State taking positive steps with regard to advertising appeared to be Queensland.

Bearing the above in mind, your Committee did feel that some degree of re-organisation was called for. Despite a reluctance to see the Trust grow in size to any marked extent it was felt that a person representative of the buyers could be added to the Trust.

The Secretary of the Trust actually performs the duties of the Manager of the Markets, and your Committee felt that this position ought to be accorded the status of that title.

In order to satisfy the criticism of lack of liaison, it was felt that the Trust should be empowered to either change the duties of an officer currently employed, or to employ a new officer who could be entitled "Director of Transport and Liaison." The duties would be to consult with and to assist in the organisation of transport for traffic into and out of the markets, and to liaise with growing areas.

In order to ensure that this met with the favour of the producers, the Director should be charged with the responsibility of regularly visiting growing areas in order to hold meetings and discussions and generally liaise with these people on all aspects of market operations.

To assist the Director of Transport and Liaison, the Trust would be expected to appoint two of its members, so that three would then constitute the Transport and Liaison

Committee.

11. Advertising

Your Committee further suggests that the Act should be amended to empower the Trust to raise a fair and equitable levy to be spent on an advertising campaign to promote the sale of fruit and vegetables, and to encourage the use of new species.

The Trust should also be empowered to employ an officer to be known as the "Director of Marketing Display and Advertising." This officer should be assisted by two members of the Trust and together these three would form the Marketing Display and Advertising Committee.

This officer would be expected, under the Manager, to be responsible for displays etc. in the market itself. The Director would deal with the advertising agent employed by the Trust, and would also be expected to organise talks, lectures and displays at schools, institutes and shows, and indeed wherever the Trust as a matter of policy decided that such activity should take place.

It is suggested that if these amendments do take place to the Act, they should be framed with sufficient flexibility for the Trust to include such additional items as fish and flowers, if, in the fullness of time, these items were included in the market activities.

12. Department of Agriculture

Your Committee visited many Research Stations and received comments from the growers in particular concerning the Department of Agriculture. Your Committee wants to make the point that it found that the relationship between the Department of Agriculture's officers and growers was of the

highest possible standard, and great reliance was placed on the Department by the growers. This was particularly evident in the Manjimup, Carnarvon and Hills fruit growing areas where some excellent work is being done by the Department particularly by the Research Stations in advising growers. Your Committee is concerned that cut-backs have forced the field staff of the Department of Agriculture to be reduced where in fact it would be far better for the industry had it been increased. Concern was expressed by many growing areas that Officers of the Department of Agriculture simply couldn't cover the huge work load that is expected of them by the growers mainly through the lack of staff. It is believed that outside Field Advisors are a necessity and your Committee recommends that this is an area that the Government should examine. The work done by the Research Stations in Western Australia, was found to be well known throughout Australia, particularly with regard to the abolition of fruit-fly in the State. The propagation of new varieties of stonefruit, vegetables and citrus fruit is of the highest possible standard and the enthusiasm that is evident in the Research Stations made the Committee feel very confident of their operations. It is important to the future of the Fruit and Vegetable Industry in Western Australia that these Research Stations be maintained at their present level and every encouragement should be given to their projects. It is also recommended that interstate visits by professional officers from within these departments be encouraged, as it seems that Western Australia is disadvantaged by the distance compared with its Eastern States colleagues. It is quite simple, for example in Victoria, for Department of Agricultural Officers to visit New South Wales and Queensland because of the short distances involved. The interchange of ideas between these States is very important to their industries, and it is equally as important that our own State should participate in this interchange of ideas. It is believed that although cost of transferring these officers around is obviously one to be taken into consideration, careful planning and the

results received from such visits is something that is of great benefit to all concerned.

13. Fruit Fly Fumigation

The whole question of fruit fly fumigation is now under discussion with many authorities as is the matter of fruit and vegetable hygiene generally. The questioning or banning of the chemical Ethylene Dibromide (EDB) which is presently used in the market for fumigation purposes is constantly under question. It is recognised that the Metropolitan Market Trust is well aware of this problem and for that reason the Committee examined the various alternatives that were available to them. In particular the Committee spoke with Dr Chris Rigney at the Gosford Horticultural Post-Harvest Laboratory, who briefed them on the alternative methods that are being considered at this present moment.

Dr Rigney said that ionising energy treatment plants will transform the industry as Australian growers will have to come to terms with the totally wide open imported fruit market, if plans to sterilise fruit and vegetables go ahead. Irradiated produce is completely and safely sterilized and eliminates quarantine post-harvest insecticide chemical treatment and gives produce a longer shelf life. The longer shelf life and the dropping of quarantine for treated produce means that foreign produce will be more competitive with our own than ever before.

Your Committee notes that irradiation of fruit fly and associated problems will also open new possibilities for overseas markets for producers and wholesalers right across Australia. Wholesale and retail greengrocers will greatly benefit from the increased shelf life as will consumers. To the consumer this will mean the possibility of seasonal produce being available all year round. The irradiation treatment is also called ionising energy treatment, and is the result of more than 30 years of research. The World

Health Organisation of the United Nations recommended its use in 1980 saying that there was no nutritional or toxilological hazard associated with irradiation of food.

It is physically impossible to induce any radioactivity with gamma rays from cobalt 60 with its low energy level. More is known about the safety of irradiation treatment than about that of conventional treatments using insecticides and the process is likened to that of a light passing through a window. In 1982 the Codex Alimentarius Commission which is under the World Health Organisation recommended acceptance of the irradiation process and their international standard of code of practice. Australia is a member of that Commission. When tests of the new process are completed by the Gosford Horticultural Laboratory it is expected that the National and Medical Research Council of Australia will recommend the acceptance of irradiation by the States. The irradiation equipment itself is very expensive and will thus be available in comparatively few places. For this reason the Committee believes that the State Government needs to closely examine the possibility of installing an irradiation treatment plant in Western Australia. The cost is quite considerable for this treatment plant and will be out of reach of the funds that are available for the Metropolitan Market Trust. It is believed that the State or Federal Governments, or, both have a role to play in making sure that Australia remains competitive in the field of export and the local consumption of fruit and vegetables.

The Committee was informed that the costing of an appropriate plant was guided by some facilities that are already operating throughout the world, and the biggest problem with the cost is the high capital investment to establish the plant. In the Netherlands a plant has been established at a cost of \$4 million and this plant treats produce by the pallet load passing through a continuous conveyor system. Smaller plants have been established at a cost of \$2.8 million. It is considered that the large scale irradiation

of cartons of oranges would amount to a cost of approximately 14 cents per carton. This cost is not considered high and the other costs of marketing oranges, such as a carton cost \$1.45 freight, insurance and other fees are taken into account, however, the 14 cents per carton rate is based on the maximum use of the facility and it is doubtful that such use would even get close to being achieved in Perth and consequently a higher figure will need to be taken into consideration. Your Committee considered that there could be a consumer preference for irradiated produce because it would be germ and chemical free. However, consumers may be suspicious of the process initially. Your Committee noted that in Japan 30,000 tonnes of potatoes are being irradiated each year and in the U.S.S.R. all imported wheat is treated by an electrically generated irradiation process based on wheat passing through a plant on a conveyor belt system. It is expected that cartons of produce which have been treated by irradiated methods will have to be marked accordingly but it is not anticipated that each individual fruit or vegetable will have to be marked. The Committee noticed that at the Research and Development section of Gosford in New South Wales that examination of strategy for future development for this treatment is being considered. It is quite obvious to the Committee that there will be some regulatory requirements to be established for Australia and then to be adopted by each State, hopefully on a uniform basis, both for the local consumption and export. It will also be necessary for technology transfer to take place so that the technology can be taken up by the private sector.

The Committee notes that there is already one irradiation plant in operation in Melbourne, and the process is also being examined as a possibility for Sydney and Brisbane. This is all the more reason why Western Australia must be very careful not to be left behind. The Committee also notes that it is possible that an irradiation plant could even be operated as a mobile facility on the back of a semi-trailer.

General

The Fruit and Vegetable Industry in Western Australia is undergoing a similar problem that has faced other facets of the Primary Industry over the past few years, and that is the lack of its ability to pass on its costs to the consumer. It is evident that returns for some produce are the same today as they were say 10 years ago, and that the costs to individual growers for items such as electricity, water, fertilizer, labour and land costs have risen considerably. It has become evident that there are some large market growing organisations appearing, particularly in the South West of the State.

It is a matter of concern that the principle of "get big or get out" is one that is being faced squarely by the smaller producer today. Your Committee has already noted that steps have been taken for the modernisation of certain practices in the Industry, particularly more mechanisation and the use of equipment that will assist in increasing the return to the grower. The single largest factor for top return to the grower is simply the control for the quality of the product that finally reaches the consumer. There is no doubt whatsoever that the consumer today is far more particular than they were in past years. This was evident when the Committee attended the Markets throughout Australia which included the Metropolitan Market in Perth where any product that was not up to top standard, received a considerably less return for its producer. The only exemptions from this were when a particular line was in short supply and in high demand.

Whilst your Committee has already made quite clear its consideration as far as the need to shift the Metropolitan Market to Canning Vale, it has not dealt with the possibility of a use of the present site. It is an economic reality that the Trust will be wanting to sell this present site for the maximum return to the Government so that the

funds can be transferred to help offset the massive cost of building the new market.

Mention of potatoes is a notable omission from this report. This is deliberate because there have already been a number of reports on the Potato Marketing Board.

However, your Committee feels obliged to remark that there is more criticism about the quality and types of potatoes marketed than about any other single fruit or vegetable.

RECOMMENDATIONS

Your Committee recommends:

1. That the current research on salinity control in ground water be continued unabated.
2. That the Main Roads Department in conjunction with the local authorities be asked to examine the possibility of relocating some roads especially in the Warren District. The relocation would be aimed at allowing the construction of dams in suitable valley locations.
3. That the methods of retaining non-saline surface runoff water be investigated.
4. That the Department of Agriculture and the appropriate water authority implement a scheme to educate growers on the benefits and economies of the use of better reticulation methods such as the use of low level sprinklers, drip feed and plastic mulch or any other method of water management.
5. That the Rural and Industries Bank be asked to extend the Farm Water Supply Loan Scheme to include gardeners and orchardists.
6. That a specific committee be formed to examine the ways of finding a solution for a reliable water supply for the Carnarvon plantations. That this Committee should include the expertise of outside consultants and be represented by both State, Federal and Local Government.
7. That the Government provide incentives for growers to install cool storage facilities, including a review of current health regulations covering

their construction and maintenance.

8. That the Metropolitan Market Trust be empowered to employ its own inspector or inspectors. That the basis of inspection should become a matter of quality or grade superimposed on the requirement that the produce be "fit for human consumption".
9. That the Government should expedite the establishment of the new markets.
10. That the inter-departmental Committee and the Metropolitan Market Trust in conjunction with the Main Roads Department and Police Traffic Authority devise a method to use the Roe Highway at a time of minimum traffic hazard when transporting produce to the Canning Vale site markets.
11. That priority be given to the production of a master plan of the new markets. This would assist wholesalers and large retailers in their forward planning. It is further recommended that encouragement be given to these organisations to build on the site of the Canning Vale markets rather than at other locations.
12. That the Metropolitan Market Trust and the Inter-Departmental Committee liaise with all users and potential users of the markets before completion of the master plan.
13. That the Metropolitan Market Trust and the Inter-Departmental Committee liaise with those groups likely to need privately owned or rented special purpose buildings on site. These would include exporters, major wholesalers and large retailers.

14. That the method of individual grower-sellers not be introduced.
15. That the Metropolitan Market Trust should not introduce any regulations or rules which might diminish the importance of selling by auction; to this end all selling methods should commence at the same time.
16. That regulations be implemented to allow the Metropolitan Market Trust management to order the re-sorting and re-packaging that inspectors have decided is too irregular in quality and/or size.
17. That the Metropolitan Market Trust should be authorised to send the proposed quality inspectors to spot check weekend markets and roadside stalls.
18. Local Government health inspectors should conduct spot checks of weekend markets and roadside stalls in the same way and frequency as they examine normal retail outlets. The standard required from a health point of view should be of a similar severity.
19. That the Department of Agriculture be asked to closely monitor the work being done on irradiation at the Gosford Horticultural Post-Harvest Laboratory in N.S.W. by Dr Chris Rigney.
20. That if at the end of the trial period, the National Health and Medical Research Council of Australia recommends the acceptance of irradiation, then this State should act with alacrity to ensure that the supply of fruit and vegetables to the export market and the Eastern States markets would be disease free and uncontaminated with chemicals.

21. That the Government recognise the rapid expansion of the fruit and vegetable industry by allowing the Department of Agriculture additional funds for the employment of field advisers to ensure a complete and real service to the growers of this State.
22. That in view of the need to maintain a high standard and quality of export produce, coupled with the need to obviate delay at the point of embarkation, the Department of Primary Industry be requested to implement a policy of inspection at the point of packaging.
23. That the Government request the Department of Agriculture to conduct an in-depth survey on the future viability of vegetable growing in the Geraldton area serviced by the reticulated water supply.
24. That the Trust be increased by one person who is representative of the buyers at the market.
25. That the secretary to the Trust be called the Market Manager.
26. That a new position be created to be known as Director of Advertising, Marketing and Display.
27. That a new position be created to be known as Director of Transport and Liaison.
28. That two new sub-committees be formed consisting in each case of the above officer with two members of the Trust.
29. The first Committee be known as the Advertising, Marketing and Display Committee.

30 The second to be known as the Transport and Liaison Committee.

31. The Trust be instructed to devise a method of raising by levy, or some other fair and equitable means, the necessary sums of money needed to run a marketing, display and advertising programme.