

NATIONAL COMPETITION COUNCIL, POTATO MARKETING IN WESTERN AUSTRALIA

647. Hon BARRY HOUSE to the Minister for Agriculture, Forestry and Fisheries:

- (1) What are the federal funding implications for Western Australia of the National Competition Council's view of potato marketing in Western Australia?
- (2) Has a review been initiated?
- (3) What is the minister's view?
- (4) What is the time frame for the Government's response.

Hon KIM CHANCE replied:

I thank Hon Barry House for the question. Although no notice of it was given, it is a very good question and is very timely.

- (1)-(4) The National Competition Council's entirely negative attitude to potato marketing arrangements in this State has been known for some time. The NCC's view is that Western Australia's potato marketing arrangements are different from those in every other State and have no place in the future of any Legislature. That is not my view, but I will come to that in a moment.

Either the federal Treasurer or the NCC has not precisely identified the implications of the national competition payments. However, in conversation that I have had with the NCC - with Graeme Samuel in particular - I have been led to believe the reduction could be in the order of \$7 million annually, which is absolutely absurd for an industry with a net worth of about \$2 billion. To put that in context, the total national competition payments to Western Australia are in the order of \$70 million. I am therefore talking about 10 per cent of those payments for a very small industry.

The implications are serious but, obviously, not as serious as the implications for the bigger issues, such as retail trading hours. The Government does not view the issue with the same level of concern as it does the bullying that is going on between the Commonwealth and the States about the National Competition Council's view on trading hours. Nonetheless, the Government views the situation as serious.

Yes, a review is being undertaken - in fact, two reviews. One review deals with the requirements of the Council of Australian Governments' agreement on national competition policy to review any Act that is identified as containing anti-competitive elements. The other is a review that is required by the newer Act that has a built-in five-year review clause. That review has been brought forward a little so that we can carry out the two reviews together to minimise the costs and effort that they will impose on the Potato Marketing Corporation.

I support the current marketing arrangements. I hold that view for a number of reasons. It would be interesting to debate those reasons in the House at some time in the future. However, my view is based on the fact that a wealth of evidence can be presented to indicate that all Western Australians gain a net public benefit as a result of the current marketing arrangements. It disturbs me that the people who hold an alternative view, and can be regarded as holding that view from a position divested of personal pecuniary interests, have presented no argument at all. That has been a frustrating aspect of my dealings with the National Competition Council, which simply says that there should not be potato marketing arrangements because no other State has them. As I said, there is a wealth of evidence to support the retention of the current marketing arrangements and I believe we should defend those arrangements.