

GRAIN LICENSING AUTHORITY

2. Hon MURRAY CRIDDLE to the Minister for Agriculture and Forestry:

The minister will be aware of the Grain Licensing Authority, and that a number of licences granted in 2004 were not taken up and the impact that is having on the Grain Pool Pty Ltd. Will the minister address this issue and thus allow further money to flow to growers?

Hon KIM CHANCE replied:

That is an interesting question, and not quite the question I had expected. The process implemented by the Grain Licensing Authority is to assess applications from potential private exporters to export prescribed grains in bulk. The honourable member has drawn attention to the fact that it is generally the case that when a potential exporter is successful in winning an application to export privately amounts of prescribed grain but then fails to acquire the quantity of grain that is required to fill the order, that volume is lost and cannot be carried over into the next year. However, it is difficult to generalise about that because the GLA has operated for only two years. Nothing in the Grain Marketing Act, which governs the GLA, prevents the GLA from permitting that volume to be carried over into the next year. In practice it has not been permitted by the GLA, but nothing in the act prohibits the GLA from doing that. It is a case in which the GLA makes its judgment on the basis of the way it reads the market at the time. One of the real difficulties in allowing an applicant to carry forward an authority from an earlier year is that the Grain Pool Pty Ltd may then have to purchase that grain in the next year. If it is a substantial quantity of grain, it might of course inhibit the operations of the Grain Pool in acquiring the amount of grain it needs in a later year when there may be a limited amount of grain, such as in a drought year. That is the reason the GLA has been cautious in allowing rollovers from one season to the next.

Will I permit that to happen in the future? I think the answer is that it really depends on the discretion of the GLA, bearing in mind the circumstances at the time, including whether the subsequent year has sufficient production to meet that demand.