

EGG INDUSTRY, DEREGULATION

1693. Hon MURRAY CRIDDLE to the Minister for Agriculture, Forestry and Fisheries:

- (1) When will deregulation of the egg industry occur?
- (2) What will be the anticipated asset value of Golden Egg Farms at the time of deregulation?
- (3) Will the minister return the remaining asset value to the original licence holders?
- (4) If no to (3), what does the Government intend to do with the remaining assets?

Hon KIM CHANCE replied:

I thank the member for some notice of this question. The answer I have been provided with is not as satisfactory as I would prefer. I will provide this answer and some other comments; however, I will communicate directly with the honourable member in more detail on the question.

- (1) On 12 August 2003, Cabinet approved deregulation of the egg industry no later than 1 July 2007, subject to advice from the National Competition Council on the impact on the State's payments under national competition policy. The Government will submit additional information to the NCC in the near future.

We have had some advice back from the NCC on our first approach to it. This answer is not as good as it could have been because I think it was drafted without the full knowledge of the NCC's advice. However, it is now public knowledge that the federal Treasurer has nominated the egg industry as warranting a suspension of payments, not a fine. The federal Treasurer clearly believes that it is not Western Australia's intention to deregulate prior to 1 July 2007. In fact, deregulation could occur at any time between tomorrow and 1 July 2007. We are currently negotiating those issues with the NCC.
- (2) I do not know the anticipated asset value of Golden Egg Farms at the time of deregulation, but I have been informed that it is around \$10 million. However, that is one issue on which I will get back to the member.
- (3) I am seeking advice on this matter from the transition advisory committee, which I have established with industry and government representatives to work through and advise me on ensuring a smooth transition towards deregulation of the industry. It is in fact the transition advisory committee that I will be drawing on for some of my advice about the most appropriate time for the deregulation process to trigger. It may be, for example, that the transition advisory committee will give me advice that a date earlier than 1 July 2007 may be in the industry's interests provided certain other things are done. That is why I am awaiting its advice.
- (4) I am unable to answer this part of the question effectively because of the caveats that I have mentioned.