

GRAIN MARKETING LEGISLATION REFORM

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

The minister revealed in the Press today that reform to Western Australian grain marketing legislation would cost the State Government tens of millions of dollars for not abiding by national competition guidelines.

- (1) Which sections of the legislation does this apply to?
- (2) How much money will it save?
- (3) Will the minister indicate the likely timing of the passage of legislation through the Parliament?

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Hon KIM CHANCE replied:

- (1) The National Competition Council objected to the restriction on competition that arose from the system operating under the Grain Marketing Act. The council is therefore interested in those aspects of the new legislation that represent a lessening of restrictions. Key clauses of the Bills in this regard are those dealing with the separation of the regulator, the Grain Licensing Authority, from the marketer, Grain Pool Pty Ltd; the membership of the Grain Licensing Authority; the manner in which applications for special licences will be assessed; and the provision for expiry of the Act when, or if, the national wheat marketing system is deregulated.
- (2) The national competition policy payments to Western Australia for 2002 total \$73 million. That is the tens of million of dollars I referred to earlier. No specific amount of this payment is allocated to each piece of legislation that is required to be reviewed under the national competition policy. Therefore it is difficult to put a figure on what the penalty would be for non-compliance. Given that grain marketing reform is high on the agenda of the National Competition Council, we can be sure the sum will be considerable. The NCC has informed the State Government that it has recommended to the federal Government that, with the introduction of the Grain Marketing Bill, Western Australia be regarded as having met its national competition policy obligations for 2002 regarding grain marketing.
- (3) It is imperative that the legislation be passed before 31 October 2002. The merger of Co-operative Bulk Handling Ltd and the Grain Pool of WA is set for 1 November and is contingent on this legislation being passed. The cost to the companies of any delay will be very significant. The best-case scenario would see the Bill passed by the Legislative Assembly and transmitted to this House during the sitting week ending 19 September. Given the strong industry support for the legislation and the expressed in-principle support of opposition parties, I expect that the time lines can be met. Once the legislation is in the Legislative Council I am hopeful that we can deal with it in about one week, acknowledging that there may be some amendments from opposition members that need debating.

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The Government is encouraging close scrutiny of legislation by the Parliament. The Government has conducted a wide range of briefings for opposition members in both Houses. The offer still stands for any member who seeks further detailed briefings. While meeting industry time line expectations is crucial, it is also important that all members have confidence in the new legislation given its importance to one of our largest industries.