

MARKETING OF POTATOES AMENDMENT AND REPEAL BILL 2016

Second Reading

Resumed from 30 June.

MR M.P. MURRAY (Collie–Preston) [8.10 pm]: I am bemused by the previous debate. The Labor Party supports the Marketing of Potatoes Amendment and Repeal Bill 2016. It has been a long time coming. There certainly has been plenty of discussion about it in the press from both the Leader of the Labor Party and the Premier. There will be some positives and, as with any deregulation, there will be some negatives. One of the positives is that the state will no longer have payments withheld for failing to meet its National Competition Policy obligations. Those withholdings included \$3.7 million in 2003–04, \$3.8 million in 2004–05 and \$3.9 million in 2005–06.

It was a bit sad, to say the least, to see some of the run-in in getting the bill before this house and those in the industry started to take against each other and did not work together for some time. However, in saying that, I thank Ross Taylor and Simon Moltoni, whom I know personally, and the Potato Marketing Corporation board who went to work and urged the government to speed up the process to make it all happen quickly. The unfortunate part of that, however, was that there was a protest at Parliament House in which we saw young ladies dressed up as spuds cornering the Premier. He decided that maybe it was time to move on and get something done.

Ms M.M. Quirk: Did they roast the Premier?

Mr M.P. MURRAY: They did not roast him like a spud, but they almost broke their legs when the Premier pulled up late for question time. He was in a hurry when they cornered him and he said yes straightaway before going through the door. We all know that it would have happened in time regardless of the political pull on either side. It had been talked about for many years. I remember the matter being discussed in the Labor Party during Kim Chance's days. We have seen what happened after the deregulation of the milk industry. I am still concerned about the issues that have popped up and continue to pop up in the milk industry about marketing, lack of access to markets and those types of things. It is true that there is room for change in the marketing of potatoes, especially seed potatoes. Some time ago I went to Surabaya, Indonesia, and found that the people there are very keen on buying seed potatoes. Seed potatoes increase their crops fourfold and they think that it is absolutely marvellous to be able to do that. From buying Western Australian seed potatoes and with very simplistic farming methods they have been able to supply their own and neighbouring villages. They are still doing it now.

There are bigger niche markets in Europe and other places that Western Australian potato growers may have to look at. As members know, closed markets and pretty much guaranteed returns can result in complacency. I am not saying that in a nasty way; all I am saying is that people do not look for alternatives and they need to look for other opportunities as they arise. I also believe it is incumbent on government to help the industry by not only providing a compensation payout, but also working through the Department of Agriculture and Food to make sure that markets are available. The government needs to provide support through the department to make sure that we have the latest varieties of potatoes and that people are examining what problems could arise in the future. At the moment there is a disease in cucumbers. We do not want to see anything like that in the potato industry because it could mean that we may have to import potatoes. The last thing we want to see is people leaving the market and then a shortage of potatoes. I am telling the minister that those matters must be addressed; otherwise, we may face similar problems as those facing the dairy industry. It was only two years ago that we faced the prospect of milk being brought in by tankers from the east coast. That is how quickly things can change. That could also happen in the potato industry.

Another issue I want to raise concerns a gentleman who wears a ripped shirt, has quite a hairy body and who appeared on telly nearly every second day. He has pushed this matter along, not always within the realms of the law. I nearly fell off my chair laughing the other day when Mr Galati commented about how ruthless the supermarkets were and how they should not be so pushy with prices. I thought it was very much a tongue-in-cheek comment from someone who has pushed very hard to make sure that the industry was deregulated to complain about the price he was going to get from supermarkets. I sometimes wonder—I really do. However, that is his business and he has pushed that matter forward.

I hope that we do not lose potato varieties. There is no doubt that many people are particular about their spuds. Some people in Western Australia will be shocked to learn that there are, I think, 32 varieties of potato. It was only two years ago that there was a presentation in the parliamentary courtyard from the potato industry. It amazed me to discover the different varieties of potato. That was probably a last-ditch attempt by the industry to stop deregulation. I probably put on three kilos after sampling everything in that courtyard. It was very nice.

Mr Mick Murray; Mr Murray Cowper; Mr Mark McGowan; Mr Shane Love; Mr Frank Alban; Ms Libby Mettam; Mr Dean Nalder

We need to look further down the line. A chip factory closed recently. There was a Smiths chips factory in Manjimup at one stage, but that shut down. It is those factories that produce jobs for country areas. We should revisit why those factories failed. Was it due to overcapitalisation or was it to do with the type of potato? Were the wages too high? I do not know why, but we should look at that because at the moment any job in the country is worth more than gold. Unemployment rates are very tight, especially in the south west as no major projects whatsoever are on the horizon. I hope that after the next election the Labor Party will set to and fix that. In saying that, we need something down there that will provide mid-range jobs—not mining jobs and not the highest-paid jobs, but jobs that can help consolidate some of those communities, such as Manjimup and even out to Boyup Brook, Bridgetown and through those areas, where there has been a drift away from those towns. That has been terrible for those towns and has raised questions about whether they will survive into the future unless we do something like that.

We have to take our hats off to this industry, which has accepted its fate and has tried to direct itself in the right direction. They never just went squealing to the wire. What they did was to say, “Righto, it’s going to happen”, so they engaged consultants, worked through it and worked to a pattern of where they were going to go in the future, how they would do it and whether there was compensation available. They worked towards maintaining their industry. I certainly wish people like that well. They could be in here protesting and yelling and screaming, but they are not; they just got on with the job. They said, “This is what we do and it is being changed, so how do we manage that?” There is one word of warning, again from the experience of the dairy industry; that is, a lot of people took the compensation money and got out of the industry. Some spent it on holidays and that sort of thing. The ones who were successful were the ones who put the money back into the industry by reinvesting in new plant and probably new varieties. That is something that I hope the people in this industry will take note of and that they will work towards a new future within the industry.

Another person I should mention here is the Leader of the Labor Party, who stood up against a few odds to put this forward and say that the industry needed to deregulate. It took quite some time before the Liberal Party picked up on that and said that it would do the same. I have noticed in recent times that it is not the only thing on which the Liberal Party has followed us. If we do the work and they want to follow, that is fine; we will take the accolades any way we can get them. It was certainly our leader who led the charge. Some people were surprised that he was even looking down that way. In the end, it has been the right thing to do, but to get the job done, it took the government. The industry was at the stage of saying, “Look, we want to get this done,” and I think people were shocked. The Premier had to be pushed a little to make sure that it happened.

I want to recognise in my speech the work that Ross Taylor and Simon Moltoni have done. I think I would say yes to most things that Simon says—he is quite a large gentleman, so I think most people would say yes to most things that he requested. He has done some hard work on getting the focus back onto the issue of deregulation being about the industry and not just individuals. If the people in those positions do not have leadership, the issue can fragment and there can be all sorts of problems that go with that, such as fights and arguments about why someone did not get this or that. I did not hear any of that with this issue. I spoke to quite a number of the growers, some of whom have been in my electorate and some of whom are still in my electorate. I say well done to those two people who worked very hard. When change is in the air, that is the sort of thing that has to be done. The transition day will be 31 December 2016; that will be the final wind-up of the act. They still have until the end of the year, but there are a couple of other benchmarks or markers in the sand that they have to get to along the way. I wish them well. Into the future I think this will be good for the person at the supermarket. I am not sure that it will be so good for some of the growers, but, overall, we wish them well with their efforts.

MR M.J. COWPER (Murray–Wellington) [8.25 pm]: There will be a collective cheer in Murray–Wellington amongst the potato growers whom I represent. There are about nine potato growers in Murray–Wellington and they represent 60 per cent of the market in Western Australia. If members like, they are the biggest growers in Western Australia. All bar two of those growers agree that the Potato Marketing Corporation of Western Australia was well past its use-by date. For those who do not recall, the Potato Marketing Corporation was brought in just after the war to get the logistics right for the growing, transporting and shipping of potatoes particularly to the United Kingdom and Europe following the devastation that had been caused by the conflict in Europe. When my father came back from the Pacific he was not discharged straightaway; he had to work for another six months once he returned to Perth, having served six years in the Army and something like three years overseas, particularly in New Guinea and Bougainville. He said that one of the most frightening things that ever happened to him was carting potatoes from Northam to Manning in the electorate of the member for South Perth. Where Manning Road intersects with the set of traffic lights on the freeway off-ramp there used to be a PMC building. Prior to that, it was an Army base. Potatoes were carted from Northam in particular and brought down to that staging place, from where they were allocated to ships at Fremantle and sent to Europe. The whole purpose of that was obviously so that there could be a continual supply of potatoes for a number of years. That was the sole reason for the genesis of the Potato Marketing Corporation. But somewhere along the following 50-odd years, it lost its way. It went

Mr Mick Murray; Mr Murray Cowper; Mr Mark McGowan; Mr Shane Love; Mr Frank Alban; Ms Libby Mettam; Mr Dean Nalder

from being an organisation that looked after logistics to becoming a monopolised constraint on the industry. Thirty years ago something like 50 000 tonnes of potatoes were produced in Western Australia, of which 30 000 tonnes were ware potatoes, which are the ones we are talking about today. It is sad for me to report that we produce only about the same amount in 2016, so there has been no progress in the amount of potato grown in Western Australia for many years. Members might wonder how Western Australia could lead in many areas of agriculture over the years, particularly in grain and wool production, and yet the potato industry has remained stagnant. When we compare that with South Australia, which is the largest grower of potatoes in this country, it is perplexing how poorly we did in that production area. It all comes down to this restraint that was placed on farmers in terms of how much they could and could not grow.

There are a number of growing areas across the state. We know about the growing areas down around Manjimup, which have been very important to the industry over many years. They harvest their potatoes around January and February, which fills a particular spot in the market. Of course, Capel through to Donnybrook is another major growing area. As I mentioned before, Myalup is the biggest growing area. It was not traditionally so, but the industry has moved out onto the sand plains where they can get a greater harvest. With potatoes grown in Myalup, for instance, there is a greater harvest from each plant as opposed to those grown in heavier ground. With the deregulation of the Potato Marketing Corporation, we will see an area open up, particularly that area owned by Nick Tana, who has a fair few landholdings to the north of Perth. Anyone travelling on Indian Ocean Drive will see the big wind turbines on the side of the road, which is in the member for Moore's electorate. They primarily generate electricity to run the pivots that supply the produce that comes out of that area. The potential for growing in the future and expansion of agriculture in that area is where I believe the future of agricultural growth lies and something that we need to be mindful of.

I also want to touch on the history of how the Potato Marketing Corporation board managed to keep its head above water, so to speak, for many years. A fair bit of skulduggery—politics—has been going on, particularly on both sides of the political divide. Initially, the area around Warren–Blackwood was heavily influenced by the growers who had the ear of the then shadow minister when I came to this place over 10 years ago. The shadow Minister for Agriculture was Hon Paul Omodei. I had some private discussions with that fine member about the Potato Marketing Corporation board. He virtually confided to me that many of those growers around Manjimup were his relatives and there was not much support to get rid of the Potato Marketing Corporation board because they did not want it to happen. Armed with little support from our side of politics, I thought I would give Kim Chance a bit of a crack, because he was the then Minister for Agriculture. The honourable member is actually a really nice guy. I managed to have a bit of a chat to him about the Potato Marketing Corporation board. It became apparent to me at the time that there was not much interest from the other side of the house to do away with the Potato Marketing Corporation board either. I walked away as a fairly new member of this place feeling a bit bedazzled about how the Potato Marketing Corporation board and the potato industry have been able to short-circuit any attempts to try to deregulate the industry. It later came to my knowledge that some colourful former members of Parliament from the Labor side had been strongly lobbying the agriculture minister at the time. I will leave it to the imagination of members to determine who that might have been. There was certainly no real interest from the then minister, Kim Chance.

In 2008, the tide changed and we had a new Minister for Agriculture. The then Minister for Agriculture was the member representing the area of Blackwood–Stirling. I seemed to be going around in circles trying to get some sort of result on this issue. Notwithstanding that, there was some mention of the fairly colourful identity, Tony Galati, trying to get the Potato Marketing Corporation board done away with. He is the biggest grower of potatoes in Western Australia. Of course there is an outstanding matter before the courts, which we will not talk about, other than to say that in my view it is a bit like sour grapes that matters are being pursued against him when the issue should be done away with in conjunction with the repealed laws. I fear that any costly legal battle will not be in the public interest, inasmuch as it will cost taxpayers' money to deliver that. Also, should that matter be set aside, it will still cost Mr Galati hundreds of thousands of dollars. Members may know that he is expanding his enterprise into Treendale in Australind. That may well be delayed if he has to redirect funds away from the expansion of his business, creating 120 jobs in my local electorate, to fight some forlorn legal process. I will go on the record to say that I do not see that there is any particular future in trying to pursue that matter.

The matter that we should all turn our minds to is what the farmers' payout should be. Some ambit claims have been made by some members and the Premier has raised concern about how much that might be. A very good report was produced by a business that I think is called ACIL Allen Consulting. I think that one of the people associated with that business is related to the Premier. That person wrote a very good report on the state of the potato industry. I recommend that anyone who wishes to read that report should make it available to themselves as it was a very accurate report, except for one paragraph at the back, which I did not agree with. Other than that, it was a fairly well-founded report.

Mr Mick Murray; Mr Murray Cowper; Mr Mark McGowan; Mr Shane Love; Mr Frank Alban; Ms Libby Mettam; Mr Dean Nalder

The issue is how much the Potato Marketing Corporation board should get. We should keep in mind that when the Potato Marketing Corporation board was first established way back in 1945 or 1946, there was no payment for licences. I heard the Premier talk about whether there was any real obligation for the state to recompense something that the state never actually directly benefited from; it was industry driven. Like any other commodity, when there is a short supply of any particular matter, whether it be milk, bread, labour or whatever, the price goes up. Some farmers have been caught out buying potato-growing licences for northward of \$500, some up to \$700 per tonne, which is rather expensive. Many people paid a lot less than that—around \$200. I hope that the government will see sense. I hope to hear the minister tell us where that price might be. I think it should be around \$250 or \$300 a tonne, just so that we can get rid of this forlorn, outdated system so that people can be settled and decide whether to go into some other enterprise or continue in the future, which is quite promising, particularly those areas that I mentioned in the member for Moore's region.

As members might know, during the hurly-burly of the conflict, as I suppose we could call it, or debate, on the Potato Marketing Corporation board, Mr Galati was not able to harvest his potatoes. He had to rely on buying them from other growers. He was faced with the situation in which he could not fulfil his own contracts because he could not buy potatoes off other growers. He ended up selling the spuds that he had in the ground to the Chinese. I find it perplexing that he can sell potatoes to the Chinese cheaper than he can to our local markets. In fact, an IGA store or some big buying group that wanted to buy potatoes could buy them cheaper from South Australia than from our own growers. I am very happy to say that that will no longer be the case. I think the growers in Western Australia are paying around \$45 a tonne production cost or 45c a kilo to the Potato Marketing Corporation board. I am not quite sure what the board used it for. I suspect it used it to offset the variations in the supply. I know that some of that money was set aside for the Department of Agriculture and Food. It was getting a little stipend out of it. It was a nice little neat arrangement for everyone involved under the old regime, particularly the Potato Marketing Corporation board. The Department of Agriculture and Food was earning a nice amount too. I think it was labelled under a research and development banner but I am not sure whether it was used to produce any new varieties or involved any marketing overseas that would see the industry grow. It has been hamstrung, stifled and stunted. I am very pleased that we now have an opportunity to put that outdated era to bed.

I look forward to this bill progressing through this place and to seeing a bright future for that sector of the potato industry. I thank members for listening to me for a few moments.

MR M. MCGOWAN (Rockingham — Leader of the Opposition) [8.39 pm]: The issue about the future of the Potato Marketing Corporation has been around for a considerable period and it is one that I have had a deep interest in. I remember learning about the issue in the early 2000s. I think the member for Murray–Wellington talked about Hon Kim Chance, a former Minister for Agriculture in the Labor government. He was very supportive of the existing arrangements, as I think was Monty House, the minister in the Court government when I was first elected. Prime Ministers were supportive of the regulated arrangements surrounding the production, distribution, exchange and sale of potatoes in Western Australia. I held a different view on it from the early 2000s, and I expressed that view a few times in the caucus room, to not much avail. Upon being elected Leader of the Opposition in early 2012, I decided to do something about it, so I produced this policy in March 2012. It is an economic reform document about the abolition of the Potato Marketing Corporation. We committed to a policy to abolish the Potato Marketing Corporation in March 2012, four and a half years ago. At that time, the argument that I put was rejected by the current government. It said that it would continue with the Potato Marketing Corporation. As I recall, the Minister for Agriculture and Food at the time said that it worked well, guaranteed the supply of potatoes, ensured that they were available regularly and at a reasonable cost—all the old arguments that had been around since 1946. We proceeded with the argument and we reiterated it during the 2013 state election campaign, and after the 2013 state election campaign we ran the argument again and said that it would continue to be our policy. After that, there was some movement from the government, I think in response to some of the more ridiculous things that went on, and I want to go through a few of those.

Firstly, there is the prosecution of people for growing potatoes. Members should think about that. The state prosecutes people for growing potatoes for the marketplace on agricultural land. They are not growing them on someone's verge or in a national park; they are growing them on agricultural land, and the state prosecutes people for doing so. As was mentioned, Tony Galati was the poster boy for those prosecutions. He was prosecuted for growing potatoes. I joined Tony Galati in the campaign. I went to his stores and participated in some of the events and handed out free bags of potatoes to people as part of the campaign of civil disobedience that Tony Galati was running on this issue. Fortunately, the issue got traction. I think the industry started to realise that the issue's time had come and, eventually, after much soul-searching and, indeed, a lot of internal argument, it worked out that it had better negotiate an outcome before events overtook it and it received a worse outcome than it otherwise would have. I also congratulate Ross Taylor and the people he worked with to reach

Mr Mick Murray; Mr Murray Cowper; Mr Mark McGowan; Mr Shane Love; Mr Frank Alban; Ms Libby Mettam; Mr Dean Nalder

that ultimate outcome, because I think that outcome served the growers better than an outcome being forced upon them without their agreement.

Why have I and Labor objected to the existing arrangements for the last four and a half years? The existing arrangements were put in place in 1946 as a response to the Great Depression, when the circumstances of this country meant that there were food shortages and a limited supply of potatoes. A marketing and control mechanism was put in place to guarantee price and, therefore, production. The genesis was the Great Depression, but the act came in in 1946 after the Second World War. That was a time of very different attitudes in this country. There was much regulation of things in order to guarantee supply in a wartime context so that there was enough food to feed the population. People did not worry particularly much about competitive pressures because all they wanted to do was push out supply to support the war effort. That attitude continued in 1946. The act came in and it continued with a range of interesting provisions. I will outline some of the more interesting provisions in the act. As I said before, Tony Galati is being prosecuted for growing potatoes on agricultural land. No-one seems to be batting an eyelid about that, but, to me, that is the definition of stupidity.

Mr M.J. Cowper: And he couldn't sell them in his own shops.

Mr M. McGOWAN: Yes, and he could not sell them in his own shops; he gave them away and was prosecuted for it. In fact, while I am on that point, he is currently being prosecuted. The government is currently prosecuting Tony Galati for the production of potatoes, even though we have a bill in the house to abolish that regulatory system. Why does it not stop the prosecution? That is like having a bill in the house to abolish the death penalty but then executing someone while that bill is before Parliament. It is stupid. Why does the government not stop the prosecution it has currently got on? It has a prosecution on foot while it is abolishing the system under which it is prosecuting it. It is stupid. I suggest the government get rid of that prosecution at this time.

The reason we thought the regulatory arrangements were a bit silly is that the powers under the act are vested in the Potato Marketing Corporation. An inspector has the power to stop a vehicle that they suspect is carrying more than 50 kilograms of potatoes. They can stop the vehicle on the street if they think there is more than 50 kilograms of potatoes in that vehicle. Then they can search the vehicle or a trailer behind the vehicle. They have the power to demand the name of the person driving the vehicle carrying said potatoes, obtain any of the paperwork they might have and impound that documentation, plus any potatoes and any of the packaging that they might suspect was used to carry those potatoes. That is the existing law, and that is the law that the government has backed for the last four and a half years, while we have had a different policy position. A potato police force enforcing —

Ms M.M. Quirk: Wasn't there a police program called *CHiPs*?

Mr M. McGOWAN: Very droll! It had Erik Estrada and David Soul, as I recall.

That was the arrangement. Anyone who heard that would think it was a joke that that is the system that currently exists and that the government has supported for the last four years, while we have had a different policy position.

The second point is that, as I said, the government is currently prosecuting someone who has infringed those rules, even though it is abolishing the rules that he infringed. I suggest that the Minister for Agriculture and Food might want to think about withdrawing that prosecution.

It was a managed system and it basically gave individual growers a quota and a time of year when they were meant to produce. Depending on the climatic conditions, growing took place north of Perth, around the eastern agricultural region of Perth, and down to the south west and in particular through Baldivis, the Peel region and the Manjimup area. As I recall, there were 70 or 80 growers involved with various sized properties. Each property was meant to produce at a different time so that a regular supply came into the marketplace. That was the theory behind it. Some growers were smaller. As I recall, the agricultural land to the north of the city is less suited to potato growing; I think that is right. They might be the smaller growers and the larger growers might be in the south. The science behind it meant that potatoes would come onstream at the right time because people were authorised to grow potatoes at various times. That meant that the smaller growers could compete because they had a guaranteed marketplace at a guaranteed price and they could ensure that their potatoes would be purchased. Of course, in a free market, the reality is that the bigger growers will probably do better and the smaller growers will have to find niches or they will have to look for other things to do with their agricultural land.

That is probably the market reality that we face. However, as in every other state, I think the market will mean there will be more varieties and a cheaper supply, so consumers will benefit. I think around 50 to 60 strains of potato are grown in Australia and there are four main varieties in Western Australia, so there is a limited range of choice in Western Australia. Although some growers might argue the case on this, a limited variety is sold in

Mr Mick Murray; Mr Murray Cowper; Mr Mark McGowan; Mr Shane Love; Mr Frank Alban; Ms Libby Mettam; Mr Dean Nalder

Western Australia. I think people can get some niche varieties, but it is relatively difficult here, whereas there is a wider range of potato varieties in the eastern states. The price of potatoes in the eastern states is lower than in Western Australia because they have allowed for economies of scale and allowed bigger growers to grow potatoes when they wanted to. As I understand it, we have had limited exports in Western Australia and I think that the system might have had something to do with it because growers are allowed to grow only a certain amount of potatoes.

I support the government's arrangement that is in place with existing growers to ensure a transition for them. Many growers will stay in the industry but some will look for other things to do. I understand that it will be a very difficult process for the families and the people involved. I have been lobbied by them at various events. I have had a bit of anger, actually, from one or two people about this issue. However, considering that they will receive an assistance package, I think that the taxpayers of Western Australia have been relatively good to them. I hope they appreciate that because it is not always the case with industries in this circumstance. For instance, I point to the taxi industry; I do not think it will receive anywhere near the generosity that potato growers will receive from their package. This came out recently; I remind the government that that is the case even though some taxidivers were still buying changes to their licenses from the government very recently. They will now potentially receive a very, very small, measly assistance package from the government. The outcome of this legislation will be good for the state. It will mean there will be potential for an export industry, it will mean cheaper potatoes in the shops and it will mean a wider variety of potatoes. Some of the silly arrangements that bring national scorn upon the state—the existing potato marketing system and all the silliness that surrounds it—will no longer be in place so we will no longer receive that scorn. It will mean that we will no longer see the bizarre situation of growers who grow more than their quota potentially ploughing potatoes back into their fields or being prosecuted for growing too many potatoes.

I indicate that the opposition supports the Marketing of Potatoes Amendment and Repeal Bill 2016. Of course we support the legislation because we have proposed it for four years now. It is another example of the government following ideas put forward by the Labor opposition.

Mr C.J. Barnett: You had eight years and you didn't do anything.

Mr M. McGOWAN: It is a statement of fact. Members opposite had eight years before that and they did not do anything. It is a statement of fact that Labor put out their policy position four and a half years ago; members here know that. Members will have seen some of the TV stories with my mate Tony Galati and me giving potatoes to people in supermarkets. Members know that; it is a statement of fact that Labor put out the policy four and a half years ago. I am pleased that the legislation has now come to fruition. I wish the families and the growers all the best, and any Potato Marketing Corporation employees; I do know how many people work there. I wish them all the best in the transition from what is going on. I think it will be for the best for the future of the state and I think it is an overdue reform.

MR R.S. LOVE (Moore — Parliamentary Secretary) [8.54 pm]: I rise to speak on the Marketing of Potatoes Amendment and Repeal Bill 2016 because potato growing takes place in my electorate of Moore, especially in the Shires of Gingin and Dandaragan. I would like to make a very brief contribution tonight, mainly around two things. First of all, although they have been pilloried tonight by various members, the current arrangements have supplied Western Australia with a good supply of quality produce for around about 70 years. It needs to be remembered in here that there has not been a failure of the potato industry to supply the product that Western Australians need. Although some people may have differing ideas about the marketing arrangements, I certainly do not think that the quality and commitment of growers to producing a quality crop should be underestimated. I also pay tribute to the Minister for Regional Development, Terry Redman, and the part that he played in organising some equity for growers in Western Australia. As we know, a funding package is available to assist growers as they transition from the current orderly marketing arrangements to a free market. That funding is provided by royalties for regions, largely at the behest and after the strong efforts of the Minister for Regional Development who himself represents a significant number of potato growers in the lower south, the Manjimup–Pemberton sort of area. Thanks to the minister and the rest of the cabinet's efforts, we now have a package that will enable some assistance for growers as they transition through this. It is not an easy thing for a family, especially when they have set themselves into a one-crop industry, to transition into a market in which their parameters have changed. The idea that a certain amount of product can be sold to a certain amount of buyers has now disappeared. It is an uncertain world for those people and they need to be assisted. The fact that many of them paid in good faith to go into the industry and they invested heavily in land, machinery, seed and other matters, needs to be recognised. I hope that the package that the Western Australian government put together will go some way to providing a sense of comfort and financial resources that growers will need to transition to the free economy, and perhaps to other markets producing other products. The Western Australian government should be commended for providing this package and once again, I would like to remind people that

Mr Mick Murray; Mr Murray Cowper; Mr Mark McGowan; Mr Shane Love; Mr Frank Alban; Ms Libby Mettam; Mr Dean Nalder

Hon Terry Redman has done a great job in providing assistance to growers and recognising their needs in this transition. Thank you.

MR F.A. ALBAN (Swan Hills) [8.57 pm]: I recently heard that the Potato Marketing Board started in 1946, way before my time, but, as long as I can remember—certainly in my youth—potato growing was very important to my family. Dad and his two brothers migrated to Western Australia and started working in the timber mill in Pemberton. However, typical of all Italians, they wanted their own patch of land and as soon as they could, they had a potato licence. Our world revolved around potato growing. Yes, we had orchards as well, but potato growing was the product that paid its way. I have not come here today to borrow some famous words from a couple of thousand years ago; I have come to bury the Potato Marketing Board, not to praise it. Other words that are appropriate to this are: the good that is done in a lifetime often lives on and the evil is interred in its bones. I distinctly remember, for the duration of our farming in the south west, which dates from 1960 to 1979, all those communities prospered. The ones I know most are the Pemberton and Manjimup communities; that area was developed because of the Potato Marketing Board. There is no question that the Potato Marketing Board is now outdated and its time has come. However, in those days it was about orderly marketing. It was not about exporting; it was to make sure that the primary producer—the farmer—was paid adequate recompense for their product. How many other products do we have? We only have to watch TV to see the farmers with milk and what has happened to grape growers in the Swan Valley due to imports.

We all know that with some produce Western Australia is one of the biggest agricultural producers, but the potato industry produced nowhere near the volume produced in the eastern states. The idea was that the Potato Marketing Corporation board would provide this state with a fresh and regular supply of potatoes, and that farmers would have a licence. A person does not have to be a rocket scientist to know that when they have so many acres, they will produce so many tonnes. There is no misunderstanding that 10 acres will produce 200 tonnes of potatoes and if someone plants more than 10 acres, they will produce more than 200 tonnes. The potato marketing board worked well but, as with all industries, there is always an undercurrent from someone who is not happy about what is happening. The best businesses I ever saw were the dealers from the city for the potato chip makers. The board would pay a certain price, and part of the cost of the potatoes was marketing. We all know that farmers are the worst people on earth to market their product, and if the industry has a marketing arm, that has a cost. It is very simple. There is no free way to market a product. Let us say that potatoes were achieving \$150 a tonne for the farmers and that it cost a further \$50 a tonne to market them to the public. If a clever merchant from the city had the resources and the facilities, they could buy direct from the farmer and pay with cash, and they would pay a retail price that was lower than anyone else had paid. That happened. It was called black marketing. It did not happen a lot, but there were many farmers who were happy to do that. What was the benefit to the farmer? They would have wads of cash and they would not pay tax on that income. The merchants who dealt in this way would have a cheaper product, and when they retailed these potatoes in the city or they had a fish and chip shop paying half the basic cost of the potato, they were way ahead. It is the old Robin Hood syndrome back to front. It was not taking from the rich giving to the poor; it was taking from the poor and making themselves rich. There were no heroes in this black market. It does not take a rocket scientist to measure acreage—they use a tape—and to know how many tonnes they will produce. In the days when we were farming, we produced about 20 tonnes of potatoes to the acre. Again, there were no heroes.

I have heard a lot of stuff recently, but the law is the law. If someone has broken the law, it does not matter how dated the law is, the law must be changed and not broken. If someone breaks the law, they should be pursued. There is none of this rubbish from a particular grower about not buying enough potatoes. It is not that hard to know how many potatoes a farmer could grow; it is not a mystery.

Ms M.M. Quirk: What about Uber?

Mr F.A. ALBAN: Uber is another issue; but I think I spoke on Uber anyway, member.

The benefit that the potato industry provided in the south west was that it made families and created communities. Pemberton and Manjimup were created from the potato industry. Other industries grew up around this industry, but potato growing was the only industry that made a profit to create these communities. Yes, the potato marketing board is now dated, but I have not forgotten it. Most of my friends who grew up in Pemberton and Manjimup are still there. They relied on this industry. They fed their families with this industry. Most of them played by the rules; others did not. The ones who are going to suffer are not the ones who broke the rules. The ones who will suffer are those who stood by the rules. Again I say that the board is dated and its time has come, but I would like to think that our government will look after these growers.

I had another point lined up. The potato marketing board did some great good for the south west of Western Australia in Pemberton and Manjimup. I am not sure what it did for everyone else, but it was

Mr Mick Murray; Mr Murray Cowper; Mr Mark McGowan; Mr Shane Love; Mr Frank Alban; Ms Libby Mettam; Mr Dean Nalder

a legitimate business. Until it ceases to be, its legitimacy is correct. A lot of people relied on the board. I hope not a lot of farmers will be hurt by this and that the government does the right thing by them.

MS L. METTAM (Vasse) [9.04 pm]: I would like to make some additional comments on the deregulation of the potato industry and what the Marketing of Potatoes Amendment and Repeal Bill 2016 represents. I would also like to back up some comments made earlier about the efforts by the potato industry, in particular, Ross Taylor of the Potato Growers Association of Western Australia, and the Potato Marketing Corporation, as well as the growers in the electorate of Vasse and surrounding electorates who, in recognising a message from government about the deregulation of the industry, have worked together towards a transition package. This is essential in the shift to any deregulation of industry, such as the potato industry, from one system which has stood the test of time since 1946 until now.

The Liberal-led government made it very clear that it was time for the potato industry to be deregulated. It is recognised that it has been a topic of discussion and debate over the last two decades since the Council of Australian Governments' national competition policy was endorsed in 1995. Even last year's report by the Economic Regulation Authority on microeconomic reform recommended deregulating the potato industry.

With over 30 varieties of potato produced each year and one of the lowest price ranges for potatoes in the nation, the local potato industry has provided Western Australian consumers with one of the freshest markets in the world. People in the Vasse electorate have very much enjoyed the support of our local growers for not only the spin-off industries they have produced, but also the local spud at local retail shops. For those people who have, I guess, jumped on the proverbial free-the-potato bandwagon, it is important to remember that the current system operated under the law of the land and that one producer decided that he was above the law, which had a significant impact on other growers in the industry who were basically operating under a commercial agreement, which was legislated as well.

As I said, our growers are some of the most innovative in Australia. I have met many of them in the south west and have seen firsthand young farmers who have invested and continue to invest in this industry. The Potato Marketing Corporation provided an additional role in research and encouraging youth into the agricultural sector as a sustainable industry. All Western Australian potato growers, aside from one, paid their potato levy, which supports the research, marketing and coordination of the industry as a whole. Despite media comments in the past, this was all at no cost to the state government.

It is important to recognise that although the decision on the deregulation of the industry has happened, we all want to see potato growers remain productive and viable. It is important that we see an orderly transition to deregulation. I tip my hat to the former Minister for Agriculture, our current Minister for Agriculture and Food, and the former Minister for Regional Development in assisting the growers of Western Australia in a transition package and ensuring that we will continue to grow our own food as a state. We need to keep our growers growing, and we can ill afford to have second and third generation farming families exit the industry because of an issue of one grower refusing to play by the rules or to have a dramatic shift in the transition without a supportive package. That is why I have supported the royalties for regions funding, which is being delivered by the Liberal-National government to assist farmers who continue to do the right thing in this transition period, and I continue to support the industry. As I said earlier, the way the Potato Growers Association of WA (Inc) and the Potato Marketing Corporation of Western Australia have managed this transition and worked with government to develop a transition package is a credit to them and I wish them all the best for the future.

MR D.C. NALDER (Alfred Cove — Minister for Agriculture and Food) [9.10 pm] — in reply: I stand to acknowledge and indicate my appreciation of the support members opposites have shown for the Marketing of Potatoes Amendment and Repeal Bill 2016. I also acknowledge the speakers from our side of the house. Everyone seems to be in violent agreement that this is the right action to take. To take the lead of the shadow minister and the number of puns, it has definitely been a hot potato for a number of decades!

A government member interjected.

MR D.C. NALDER: Boom! Boom!

I am pleased that we have finally got to this point. I want to touch on a couple of points the shadow minister raised, particularly on biosecurity. It is one of the fundamental issues the Department of Agriculture and Food Western Australia needs to undertake as a government commitment to the agriculture sector. If we consider what is the government's responsibility, I believe biosecurity or the protection of the agriculture sector is critical. We are known worldwide for the provision of safe and healthy food throughout Australia. With the opportunities we have, given that we export 80 per cent of all produce grown in Western Australia, it is an important aspect of what we do.

Mr Mick Murray; Mr Murray Cowper; Mr Mark McGowan; Mr Shane Love; Mr Frank Alban; Ms Libby Mettam; Mr Dean Nalder

Another point the shadow minister touched on is supporting industry growth. We have in front of us a unique opportunity of seeing urbanisation, particularly in China. The growing middleclass throughout South-East Asia and China is providing huge opportunities for the export of all our primary products and an ability to grow just about every market. In leveraging these markets, and making sure we understand and acknowledge the supply chain, the value chain or the value-add chain, and looking at what capital is required, exactly where to support that growth will be of future importance for the success of the industry and agriculture products in Western Australia.

I would like also to pick up on the Leader of the Opposition's comments about the Galati prosecution case before the courts. I would like to see a speedy resolution to that matter. Now that we are moving down this path, I would like to see that and I am waiting for advice on how that should proceed. It will be nice if we can move beyond that situation at the earliest possible time.

I thank all those who have been involved, particularly the Potato Marketing Corporation, the Department of Agriculture and Food Western Australia and all members who have been involved over time, and I commend this repeal bill to the house.

Question put and passed.

Bill read a second time.

Leave granted to proceed forthwith to third reading.

Third Reading

Bill read a third time, on motion by **Mr D.C. Nalder (Minister for Agriculture and Food)**, and transmitted to the Council.

House adjourned at 9.14 pm
