

**BARLEY MARKETING (MISCELLANEOUS)
AMENDMENT BILL**

Second reading.

The Hon. K.T. GRIFFIN (Attorney-General): I move:
That this bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

This Bill to amend the *Barley Marketing Act 1993* has one purpose—to extend the single desk export powers of ABB Grain Export Ltd.

The *Barley Marketing Act* currently confers on ABB Grain Export Ltd the single desk export desk marketing arrangements until 30 June 2001. The amendments to the Act contained in this Bill propose to allow ABB Grain Export Ltd to continue with those arrangements indefinitely, with no sunset clause included. There is an understanding that the legislation may be reviewed pending the outcome of the Federal review of wheat marketing arrangements and changes to grain marketing arrangements in New South Wales.

The current Act is a joint proposal between the Victorian and South Australian Governments that effected changes to marketing arrangements for barley. It is, however, unlikely that Victoria will extend the 'life' of the Victorian Act and so, in the future, the legislative scheme for marketing barley will be contained only in the South Australian Act.

Cabinet approved the drafting of amendments to the *Barley Marketing Act* on 4 September 2000 to extend the single desk export powers of ABB Grain Export Ltd.

The Government consulted with the South Australian Farmers Federation Grains Council which strongly supported the decision to extend the single desk export powers of ABB Grain Export Ltd.

A survey conducted by a research company indicated that 90 per cent of barley producers were in favour of maintaining the present system.

A number of reports found that the Japanese Food Authority (JFA) prefers to deal with statutory marketing authorities (even though it does not deal exclusively with such authorities but also with international grain traders). JFA has demonstrated that its prime concern is surety of supply, rather than price. The premium paid to all suppliers, irrespective of whether they are a statutory marketing authority or not, is in return for surety of supply.

The position of the South Australian Government has been that support for single desk powers is likely to continue in this State until it can be demonstrated clearly that it is not in the best interests of the South Australian community to continue with such an arrangement.

From a competition policy viewpoint, there is a recognition the government can intervene in markets to take into account—

- the social effects of change
- regional issues
- the environment
- equity
- unemployment.

In the case of barley, there will be some economic impact as a result of the probable loss of the Victorian legislation, with some loss of business by ABB Grain Export Ltd to Victorian competitors.

As a consequence, South Australia needs to legislate to protect the single desk, at least in South Australia. The single desk scheme will be reviewed in 2 years by the Minister and a report of the review will be laid before both Houses of Parliament.

I commend the Bill to the House.

Explanation of Clauses

Currently, South Australia and Victoria have a joint marketing scheme for marketing barley grown in those two States. It is intended that, from now on, South Australia will pursue the marketing scheme for barley grown in South Australia without reference to a joint scheme with Victoria.

Clause 1: Short title

This clause is formal.

Clause 2: Amendment of s. 3—Interpretation

As Victoria will not be part of the joint scheme from now on, the definitions of Victorian Act and Victorian Minister are no longer required and are, therefore, to be repealed. Subsection (2) of section 3 of the principal Act is also to be repealed as the work done by that subsection has now been exhausted.

Clause 3: Repeal of ss. 5 to 7

Sections 5 to 7 of the principal Act are to be repealed and a new section 5 is to be substituted.

Section 5 currently provides that Part 4 of the Act (the marketing scheme) applies to barley harvested in the season commencing on 1 July 1993 and each of the next 7 seasons but does not apply to barley grown in a later season. It is no longer the intention to provide for the 'sunsetting' of the marketing scheme and so this section is to be repealed. However, it is proposed (in new section 5) that the operation of the marketing scheme will be reviewed.

5. Review of operation of Part 4

New section 5 provides that the Minister must, at the end of 2 years from the commencement of this new section, review the operation of Part 4. A report on the review must be prepared and laid before both Houses of Parliament.

Current section 6 declares that it is the intention that—

- Victoria and South Australia implement a joint scheme for the marketing of barley grown in both of those States; and
- that Victorian and South Australian legislation providing for the joint scheme not be amended except on the joint recommendation of the relevant Victorian and South Australian Ministers.

This provision is to be repealed as a consequence of the decision that there will no longer be a joint scheme.

Section 7 currently provides that the Minister may delegate a power under the principal Act other than a power that is to be jointly exercised with the Victorian Minister. The repeal of this provision is consequential on the policy decision to continue with the marketing scheme alone.

Clause 4: Insertion of new section

73. Annual report

New section 73 is a revised version of current section 83 (see clause 6). It has been revised to remove the reference to the Victorian Minister and appropriately relocated to Part 10 of the principal Act. It provides that ABB Grain Ltd must give to the Minister a copy of its annual report under the Corporations Law, together with such information about the operations of ABB Grain Ltd and ABB Grain Export Ltd as the Minister requires.

Clause 5: Amendment of s. 74—Regulations

The amendment removes the reference to the Victorian Minister and also contains a minor 'housekeeping' amendment.

Clause 6: Repeal of s. 83

Current section 83 is to be repealed as a consequence of the insertion of new section 73 (see clause 4).

The Hon. P. HOLLOWAY secured the adjournment of the debate.