

POINTS CONCERNING THE NATIONAL COMPETITION POLICY (NCP) SUBMISSION

\$1.6bn to WA to implement N.C.P.

1. Federal funding to assist implementation should also be apportioned to companies and businesses involved.
2. Huge cost to industry bodies in preparing submissions eg Dairy industry \$30,000 Implementation = Compensation. (Pages 14 and 15 - submission)
3. As far as statutory bodies are concerned, the domestic situation now conforms to Competition Policy requirements.
4. End result after implementation invariably ends in an imbalance of marketing power in which the big generally results - national takes-over.
5. The single export desk (particularly in this State) is the only hope for producers to maintain market share and maximise returns eg Cargills control 52% of world grain trade. Free marketing (so called) in America has led to President Clinton approving \$5 Billion for "cash strapped" American farmers.

Imperative that we retain export control for WAMMCO International, Potato Board and Grain Pool.

6. Decimation of pig industry a good example of covertly subsidised multi national competition being given free entry. Other examples, market corruption E.U. subsidising barley exports \$80 per tonne, we still pay 49% entry fee to Japanese meat markets and so on.
7. A better example of the profound internal effects of the so called "free trade" system has been the implementation of the Competition Policy in England, as outlined by Marie Dilley at General Executive.

The eventual outcome of big business investment. Money takes over, industry becomes investor focused. Cooperatives can be a way to go, but are second best to what we have at present. Fragment any industry and big business will pick off the weak sellers.

We must win the NCP battle, especially with regard to the export business.

Competition Policy has yet to provide lower prices to consumers eg Poultry NSW deregulation 10 years. Returns to producers way down, consumers pay more. Poultry industry perhaps the best example. We must demonstrate no public benefit.

8. Key words of NCP? Productivity, International Competitiveness and Efficiency translated into Primary Industry spell Fragmentation, take-overs and eventually mergers as big businesses experience the cut and thrust of drastic competition in the “big money” stakes.
9. If we achieve a breather by way of a “review period” eg 3-5 years, do we then require another submission to continue in business?
10. Statutory bodies handle our export product through a single desk: enables us (a) to be competitive in world markets; (b) source product locally; (c) profits returned to producers.

The system ensures stability and maximises returns to growers and ensures quality control and product specification.

Commodity prices are in real trouble world wide. We have gone as far as we are prepared to go to satisfy NCP. On the local scene competition is good. On the export side (under globalisation, W.T.O. and I.M.F. we are facing super-market competition.

The only hope for W.A. primary production is to retain the single desk for exports. We must export 90% of our grain and 50-55% of meat. The Federal government must understand the W.A. situation is quite different. Privatisation and deregulation are not the answer in Western Australia.

The privatisation of Wesrail would be a great mistake. The work put in by the grain freights committee with representation from Dail, C.B.H. and W.A.A.F. has been long and eventually fruitful. Westrail handled a huge harvest and made \$40 million profit and are now facing a sell-out to Wisconsin Rail from America - our main competition on the International grain market. Does that make sense? Standard Rail \$100,000 per hour. State \$30,000.

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