



Speech by

**GRANT MUSGROVE**

**MEMBER FOR SPRINGWOOD**

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Hansard 19 November 1998

**DAIRY INDUSTRY AMENDMENT BILL**

**Mr MUSGROVE** (Springwood—ALP) (12.52 p.m.): I rise to support the passage of the Dairy Industry Amendment Bill. In common with the member for Kurwongbah, I had a very substantial dairy industry in my electorate some time ago before the pressures of urbanisation resumed many of those properties. Indeed, members may not be aware that the electorate of Springwood is actually named after a 674-hectare dairy farm named Springwood that existed in the area some 30 years ago.

This Bill has two key policy objectives. Firstly, it maintains a regulated farm gate price for milk and, secondly, it extends supply management over the whole State. I wish to address briefly only that aspect of the maintenance of the farm gate price. Queensland dairy farmers will have a regulated farm gate price for a five-year period from 1 January 1999 to 31 December 2003. Quite simply, this means that when a dairy farmer supplies market milk to a processor, that farmer will receive a regulated price for the milk.

It is important to remember that market milk is used for direct daily human consumption. The majority of milk produced is, of course, manufactured milk, that is, it is used for cheese, yoghurt and the like. The price of this milk is not regulated by the Government and is substantially lower than that of market milk. Indeed, while the current price of market milk is approximately 58.9c per litre, I understand that the price of manufactured milk is in the low thirties range at present. It may be important to note why there is a different price for market milk. You see, dairy farmers must provide supply 365 days a year.

**Mr Reeves** interjected.

**Mr MUSGROVE:** I point out to the member for Mansfield that my family has had a very long association with the industry and still has substantial holdings of dairy farms.

Not many people understand what this means. It means that the dairy farmers must be up at dawn or earlier every day of the year—Christmas, Easter, public holidays and the rest. There is no doubt that a price premium to farmers should be paid so that we can have fresh milk to drink every day. I am sure that all members would agree that a sudden withdrawal of price regulation may see the market milk price decline dramatically, seriously threatening the viability of many small dairy farmers and regional communities.

Of course, Queensland's milk production has continued to expand. In the period 1993-94 to 1997-98, production has increased nearly 8%, from 763 million litres to 822 million litres. In fact, the farm gate value of market milk sales in 1997-98 was around \$220m. This is a very significant contributor to the regional economies of Queensland. Of course, the principal economies that I am talking about are the Brisbane/Moreton region, the Darling Downs, Wide Bay/Burnett, Fitzroy, Mackay and the far north regions.

The public benefit test predicted that the likely falls in income to those areas from immediate deregulation of the farm gate price would cause adverse regional impacts and significant employment losses. When combined with difficulties being experienced in other rural industries, the overall impact could be devastating. This Government is not prepared to sacrifice secure employment in a blind adherence to the economic rationalist principles of National Competition Policy. Rather, a managed adjustment period is essential to avoid unnecessary disruption.

I want to mention briefly the issue of compositional payments for milk with a higher quality. Nothing in this Bill affects the ability of the Dairy Authority to implement a compositional payments scheme. That is not the issue in this Bill. What is an issue for my constituents—and I hope that members will let me digress for a minute or two—is the access to, and the ongoing continuity of, the once very strong country culture of Logan City. As the urbanisation process has proceeded, many of our good farmlands have been taken up by urban development. However, I am proud to say that we still have a very strong folk and country music culture within my electorate and across Logan City.

I pay tribute to the 101FM management committee—past and present—who had their 10-year celebration on the weekend. They have been the principal providers of country music and culture in Logan City and surrounding regions for the past 13 years. In fact, the first test broadcast of 101FM was conducted from the home of technical director Mr John Horrocks of Rochedale South between 25 October and 28 October 1985, with the air test frequency band as 107.3 megahertz.

**Mr DEPUTY SPEAKER** (Mr Mickel): Order! The honourable member will return to the Bill.

**Mr MUSGROVE:** Ever so briefly, with the indulgence of the House, I want to congratulate the station managers to date: Graham Polkington, Peter Finch, Alan Rawson, Allan Andersen and a very busy, patient and humble Mrs Lea Budge. She is a credit to 101FM as a growing organisation. I am sure that she will do her best.

**Mr DEPUTY SPEAKER:** Order! What does this have to do with the price of milk?

**Mr MUSGROVE:** I support this Bill. I congratulate the Minister for Primary Industries on achieving bipartisan support for the Bill. As all members would know, when there is a problem in Primary Industries we send in Henry.

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