



Speech by

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STATE MEMBER FOR KURWONGBAH

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DAIRY INDUSTRY AMENDMENT BILL

Mrs LAVARCH (Kurwongbah—ALP) (12.41 p.m.): I rise to speak to the Dairy Industry Amendment Bill as it affects my electorate both directly and indirectly. A direct interest is held by the dairy farmers in the Dayboro region and an indirect interest is held by the tens of thousands of consumers of milk and milk products in the seat of Kurwongbah—and, no doubt, throughout Queensland.

In September I was pleased to be able to facilitate a meeting between the representatives of the Samford and Dayboro dairy farmers and the Primary Industries Minister to discuss the future of the dairy industry. I express my appreciation to Greg and Jenny Easlea of Laceys Creek for hosting the meeting at their property.

The Samford and Dayboro dairy farmers have applauded the Government's commitment to maintain the farm gate price into the next millennium. Branch President Joe Bradley regards the move as good news for producers and consumers in the long term. He is, however, concerned that supermarkets would dominate price setting, forcing already struggling farmers, wholesalers, distributors and consumers to get less for their toil. Of course, even though this Bill gives the potential for a further five years of guaranteed income to dairy farmers, it is not a case of them being able to rest on their laurels.

In the second-reading debate of the 1993 Dairy Industry Bill—the Bill we are considering today seeks to amend the resulting Act—the former member for Bundaberg referred to a statement made by Pat Rowley, the then president of the Queensland Dairyfarmers Organisation. That statement is as relevant today as it was then. He said—

"There needs to be a lot of quiet, steady change in the industry before restrictions on milk marketing and distribution are completely removed in 1998.

It is better for the whole industry to slowly release the handbrake from now on rather than relying on the Big Bang theory, leaving the industry to suddenly react in 1998."

Five years is not a great amount of time, and all indications today are that the handbrake will have to be taken off at least by the end of that period. It may be sooner rather than later, but it is imperative that the industry remain focused, vigilant and responsive to market forces.

It was interesting to read the contributions to that second-reading debate of 1993 and see the predictions made for 1998. Here we are in 1998 extending the sunset clause for another five years. I wonder whether we will be here in the year 2003 looking back on what we are now saying and I wonder whether what we believe and see today will be the reality in 2003.

The fact that the industry has to remain focused, vigilant and responsive to market forces was plainly spelt out in the Queensland dairy legislation review, and it is worth repeating. The review has been conducted against the backdrop of challenging market conditions, both domestically and overseas. The full impact of the Asian economic crisis on the Australian dairy industry is not yet apparent. In this regard, the committee noted that demand in Asia for Australian dairy exports is likely to be dampened, even though the weak Australian dollar will be of some assistance to exporters. This is expected to exert considerable pressure on the export-oriented Victorian industry to enter fresh milk markets in other States, particularly following the termination of the domestic market support scheme

from 30 June 2000. Further, Australian dairy exports compete in a world market distorted by export subsidies and import restrictions. In other words, what may have started as a requirement of the National Competition Policy process has been overtaken by outside market forces.

Of course, the dairy industry has undergone numerous changes since its inception as a result of market forces and new technologies. In the Dayboro area, industry rationalisation is evidenced by the fact that in 1965 there were 105 farms producing 18,000 litres of milk per day whereas today one-third of the number of farms are producing three times the amount of milk produced in 1965.

The Dayboro area is very close to Brisbane. Back in the sixties, one of the reasons given for the demise of so many farms in the shire was pressure by the increased population for land for housing. Today there is pressure for rural residential areas and the farms in the Dayboro area are very attractive to young Brisbane professionals wanting to live the quiet rural life. This must be a concern to consumers as well, as more and more of our fertile farm land is being broken up into housing and is no longer producing anything. I believe that the Dayboro farms are very productive.

I join with the member for Logan in saying that there is exciting news for the dairy industry. Opposition members speak very defensively about new markets and about the competition policy, but for the dairy industry it is not all doom and gloom. There are exciting times ahead. I look forward to working with the dairy farmers in my area. I look forward to working with the Primary Industries Minister and industry bodies to secure an advanced market share in this vital industry. I think that this industry is of great benefit to Queensland and has a lot to offer our economy.
