



Speech by

Mr M. VEIVERS

MEMBER FOR SOUTHPORT

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DAIRY INDUSTRY AMENDMENT BILL

Mr VEIVERS (Southport—NPA) (3.01 p.m.): Deregulation is all about Australian ownership—or the lack of it. Deregulation has put many food processors in Australia in the hands of overseas owners. I cite the most recent examples of Pauls, Norco and Dairyfields being purchased by international food processing company Parmalat. This is just another example of a long list of Australian processors in the food chain being taken over by overseas interests.

Interestingly, earlier today the member for Logan mentioned many companies from down south that are exporting—something that they are doing well. Unfortunately, not one of those companies is Australian owned. That is a very sad indictment on the situation in Australia. The milk processing industry was the dawn of Australian cooperatives, as was the sugar industry. As it has been forced to deregulate, ownership has passed. I know that, because I and my father before me were shareholders in the South Coast Cooperative Dairy Factory, later to become the Dairyfields Cooperative, which was recently taken over by Parmalat.

I am sure that the former member for Warwick—and it is a pity that he is not here—the late Des Booth, would be chuckling at the pearly gates about what has come to pass and the changes that have been made that would not have even been thought of 12 years ago. The Minister for Primary Industries acknowledges that. I remember being part of the South Coast Dairy when Mr Booth was a member and chairman of the Warwick Cheese Factory Cooperative.

Mr Palaszcuk interjected.

Mr VEIVERS: Yes, he was. When I first came in here, I thought that he was in the Opposition and I was in the National Party. After a while I thought that I was in the Opposition and he was in the National Party; he used to give me a nice old touch-up. He had forgotten more about the dairy industry than I probably will ever know. He knew a lot about it. However, times have changed and our milk industry is again at the crossroads.

This debate is not a political one; we are talking about the direction of the Australian dairy industry. We should bear in mind that Victoria has the wood on us in relation to production. They are able to produce their product and transport it from Victoria to Queensland at a cheaper rate than we can produce milk in Queensland. If anyone in the gallery or any other honourable member can tell me differently, I will stand corrected. That is the worry and bane of every dairy farmer in Queensland.

My parents were involved in the industry and I grew up into it. My father was a butcher, and I do not know why, being a butcher, he bought a dairy farm. However, he did, and I have been left with it ever since. I purchased two more of my own thanks to that good football club in Sydney Manly Warringah, and it all worked out beautifully. However, that is the short term. Today I wish to speak about the long term.

Mr Lucas interjected.

Mr VEIVERS: No, I wish to speak seriously. Why would Parmalat, owned by the Tanzi family in Italy, pay us \$18.43 for our bonus shares? If they are worth \$18.43 to them, what are they worth to us? Much, much more! That is what I am trying to get at. Dairyfields, Norco and Pauls, as they amalgamate, are just little players in the big field. We had to sell, otherwise we would have been eaten up. We would not have been able to get \$18.43 for our shares and we would have had to sell our dairy farms—we would have lost everything. We are getting a bit for our old bonus shares—\$18.43. I have

had those shares since 1947. I did not think they were worth anything. I used to say to the late Allan Hollindale, "How about giving me a buck for these and giving me some real money." I am very glad that he did not do that. At one stage I even told his son, Ian Hollindale, "Give me \$3 and I'll sell them to you." Once again, we see a little poetic justice in that he did not buy the shares, and now I am getting \$18.43.

Mr Purcell interjected.

Mr VEIVERS: Yes, there are a few of them.

Mr Purcell: It's your shout.

Mr VEIVERS: No, we do not have it yet.

I say again to all honourable members that the dairy industry today is on a world footing and has to compete with overseas benchmarks. That is very difficult. Without this legislation, we would not have survived. We would have lasted five years and then dropped off the precipice. I agree with the member for Callide when he said that we had better look at the circumstances after four years and try to increase that drop-off period. I have seen it happen before. The member for Warwick, Mr Springborg, is not in the Chamber. Our company did that sort of thing at Warwick; we picked the eyes out of it and we bought up at the right price.

The public servant with the beard advising the Minister does not agree with me. I assure him that I am flour; I have been through the mill. I put up my \$700,000—my money—and I do not want to lose it. I do not know what he put in, but I asked him a question——

Mr Palaszczuk: You haven't lost any money.

Mr VEIVERS: Let us put it this way: I do not want to lose any.

I asked that public servant a question and he was quite honest in saying, "We can look after you in relation to where this is coming from, that is, the farm gate, through into the can and down to the factory. Once it hits the processor and it is heading out, we can't help you." That is where our problems are going to be. I have not started my prepared speech yet; I have gone off it. What I am saying is that, once the processor gets it he has got us. We saw what happened to the bread industry down south. Once it was deregulated, the price of bread went through the roof. The producer got nothing, but the bloke selling it got plenty—five times the amount. That is a lot of money.

Five years ago the Federal Government—it was of the Labor persuasion—signed an accord to deregulate the milk industry. I will say honestly that it saw its mistake. It said, "We are out of here." Then John Howard came along and picked it up. But, unfortunately, he just kept going with it. Contrary to the advice of industry leaders at that time, he went ahead with this—the mob of the members opposite started it; our mob kept going with it. We are now suffering as a result of that misguided decision. That is my personal opinion. People may disagree, but I have seen it happen all around. It is very difficult when one is competing on the world stage. Unless one has the wood, one cannot compete and it is very difficult.

The Federal Government was told—it has come to pass—that with deregulation the price to the consumer would go up and the returns to the farmer would go down. We have heard it all today. The member for Cunningham was talking about it. It is the processors and the chain stores that are now holding this nation to ransom—and they are. No-one has mentioned it today, but we do need anti-trust laws in this country. We really do, otherwise the monopolies are going to get bigger and the little guy will get smaller—we think we are pretty big. We have signed on with Parmalat. We are a minuscule dot out there in the world of dairying, and we will have to be very careful that we do not get eaten up. The Minister has a very difficult job that was thrown to him. I am glad it is him and not me, and I am sure that the shadow Minister for Primary Industries is glad it is the Minister and not him because it is not going to be easy. When the chickens come home to roost, we will all be out there saying, "We told you so."

In Queensland, for 10 years before deregulation—and honourable members should think about this—milk prices did not increase by more than 50% of the consumer price index, and I challenge anyone in this Parliament to find any other product on the delicatessen shelves of supermarkets that has retained its value as milk did in that time. No-one will be able to come up with one. Under deregulation that price control will be lost, and that is what the Government has to look at. Queensland cooperatives have a history of leading the nation with innovative products and processes. I remind honourable members of the Caboolture acidophilus yoghurt, which is only now being copied by some international processors. It has been on the market up here for years.

Mr Feldman: It's good stuff.

Mr VEIVERS: It is a tremendous product. It is only coming onto the world market now. There are many other examples of small, locally owned cooperatives that have been before their time in some of their initiatives while there was regulation, and I emphasise that. It could never be said that balanced regulation stifled progress and initiative in this industry.

The dairy industry in Queensland has a proud record of achievement in terms of staff. Labor members should hang their heads in shame when they consider that, under regulation, the level of skills and accredited courses undertaken by Queensland employees in the dairy industry was among the highest in Australia and, under deregulation, it will probably take a very bad dip. As we experience the mad clamour for deregulation, for profits to go off shore to cut costs, we will see a labour force with fewer skills and less formal accreditation. Clearly it will be a labour force that will move from one deregulated company to another, not ever putting its skills to use in an industry that has a proud history under regulation in Queensland.

The dairy industry in Queensland and Australia has a proud history in a decentralised economy. How many honourable members spent time on their father's, uncle's, relative's or friend's farm in the past? What a wonderful heritage! But all of that is at risk. Places such as Atherton, where the tin industry and timber industry have been decimated and only the dairy industry is left—and the Government is about to decimate that industry also with this regulation—will suffer. Places such as Monto, Warwick and Beaudesert—country areas where, once again, other primary industries have suffered as a result of depressed world prices and a reliance upon the Asian markets that have been touted as our saviour for many years—will also suffer. They, too, will be decimated when they lose their last vestige of a stable, regulated industry as we deregulate the dairy industry in those areas.

The Government should forget about getting exemptions for five years. We have dairy producers who will get exemptions and ongoing exemptions after that. Forget all that. Members opposite should look at what happened to bread prices down south, which I was talking about before, after the deregulation of that industry. Prices at the retail level soared, and producers copped the thump. Just today—and this is a warning to us—we have seen what the Australian Competition Tribunal has done to newsagents throughout Australia. This could also happen to the dairy industry no matter what we do here. They should not forget that a tribunal is set up and it just goes "swoosh" and we are out of business.

Deregulation does not have one advantage for consumers, workers, farmers or communities. This present attempt to regulate farm gate prices is only a bandaid. That is why I agree with the member for Callide; the Government really has to look at it and be ready to bounce into another area, otherwise people will be dropping off. The member for Logan talked about the Government having to come up with moneys to reimburse people who have dropped off the system. The Minister will have to be very careful about that. It is his business how he does it, but I am sure he will be able to.

Mr Palaszczuk: Compensation.

Mr VEIVERS: "Compensation" was the word I was looking for, thank you.

Speaking of what is happening in my area, I will point out a few things. The joint venture has begun to rationalise brands and pursue strategies in the knowledge that the joint venture—that is the one down the coast—will ultimately be known as Norco/Pauls and will reflect 50% ownership by them. So the name and tradition of Dairyfields has been lost forever from south-east Queensland. Already Woolworths and Coles have indicated that they will stock only a limited number of Dairyfields products because they consider Pauls will become a Statewide brand and, after deregulation from 1 January, that is all that will be stocked in their stores on that basis.

It is of concern that rumours abound—and after this afternoon I feel that they are not just rumours—indicating that milk will be imported from New South Wales because at the present price it is a better commercial proposition than purchasing milk from Queensland sources. A number of displaced vendors and distributors have a desire to distribute products which cannot be sourced from existing Queensland suppliers and, as has been reported in many newspapers, a third major processor in the area of the member for Logan, National Foods, has committed to building a factory there and securing a portion of the Queensland market. That company has a factory at Taree. Our experience at Raleigh would indicate that it is not impossible to transport milk over long distances. That will immediately put pressure on the dairy farmers in the south-east corner of Queensland. The bigger producers in New South Wales can produce it a bit cheaper and send it up the line from Taree, just like that.

Let us not kid ourselves. I have four minutes remaining; I do not want to miss anything. I want to tell honourable members that under a gentleman's agreement it was not uncommon for dairy factories to do that. Norco used to send it to Pauls—

Mr Pearce: Malanda sent milk south.

Mr VEIVERS:—while Malanda sent it down to the Gold Coast Dairyfields factory just to keep up the Christmas or Easter supply.

Mr Mickel: They used to send it to Victoria, too.

Mr VEIVERS: I can tell the member opposite that not too much ever went to Victoria; I was always worried about it coming up the other way. It happened because certain areas could not meet their quotas. When the Easter and Christmas influx was on at the Gold Coast, sufficient milk had to be

provided. There was a gentleman's agreement to override section 92 and milk was delivered in an unmarked tanker. The milk was good, but it was not ours; it came from over the border somewhere. The supply had to be kept up and the quotas met, and that is the way it was done.

The recommendation of the chairman of the Hilmer working committee was that "the price of milk within Queensland should equate with the next best commercial option", and clearly that implies a New South Wales price plus freight. As I said, it would be a pity to have a supply established from New South Wales that disrupts and diminishes the volume of the Queensland product.

In effect, the new supply cooperative will assume the responsibilities associated with the conditions of supply to Pauls. It is anticipated that the rate of payment will reflect the price Pauls paid, which in turn is based upon different criteria from those applying to our cooperative. That is at Dairyfields. In particular, those differences will reflect volumes and quality, and producers should be aware of that changed basis for payment. That is most important.

This means that after five years they can say, "Two to the valley. We don't want you. We've got a big bloke up the valley whose truck can go up and come back down with one load, instead of picking up five loads and running around and fiddling about." Honourable members should not delude themselves. That will happen if we do not take up this five-year option. I have to be careful about what I say in this debate, because I have a vested interest in the dairy industry.

A Government member interjected.

Mr VEIVERS: No, I have watched it grow from nothing. The dairying industry has always been very steady. We always knew that if we could produce a certain amount of milk we would get a certain return. With sheep, grain, cattle and sugarcane, when the rains did not come people knew they were going down and there was nothing they could do about it—that would be a loss—whereas in the dairying industry farmers could always shore themselves up so that they could feed cotton seed, fruit pulp, molasses——

Mr Seeney: Lucerne hay.

Mr VEIVERS: Yes, lucerne hay when it could be got from those other farmers. Just like in Callide, they always wanted bars of gold for their green lucerne when the droughts were on.

Time expired.
