



Speech by
**Hon. BRIAN
LITTLEPROUD**

MEMBER FOR WESTERN DOWNS

Hansard 15 September 1999

PRIMARY INDUSTRIES LEGISLATION AMENDMENT BILL

Hon. B. G. LITTLEPROUD (Western Downs—NPA) (12.39 p.m.): At the outset, I point out that the Opposition is supporting the Bill. I note the comment of my colleague the member for Crows Nest, who pointed out that it is important that this Bill be passed today because of the provisions in relation to the barley industry. I will begin by making a couple of comments about the Budget that was brought down yesterday. On behalf of the people of Western Downs, I express some regret about the reduced funding of the DPI budget. There is, however, probably a sense of relief that some of the initiatives that have been developed in the past few years are continuing, especially in terms of research.

Mr Palaszczuk: There is no change.

Mr LITTLEPROUD: There is no change to those projects in the Budget? I will withdraw that statement.

Mr Cooper: The budget has been reduced.

Mr LITTLEPROUD: Yes, the budget has been reduced, but the programs that were in place are continuing.

I want to pay tribute to a colleague and former member of this House, Trevor Perrett, the former member for Barambah. He carried out a big rescue job on the Department of Primary Industries. It is a department that has had a wonderful record of service to primary industries in Queensland. It is always able to rise to the challenges that it faces and, of course, those challenges are changing all the time. We are on the right track in ensuring that we use the very latest in technology and research in order to remain competitive on the world market.

That brings to mind something else that we in this House have to bear in mind, that is, the social implications of what is happening in rural Queensland. It is pretty obvious to me that about 20% of the people in the grain industry in western Queensland—and it is probably the same in the beef industry—are great innovators. They have the capital amassed to enable them to keep up with the latest innovations, they are competitive, and they understand what is happening in terms of production and marketing trends across the world. They are survivors. However, there are other people who, try as they might, cannot amass enough skill or capital to keep on competing. We are creating a situation which will eventually lead to big social problems in rural Queensland.

I am following somewhat on the comments made by the member for Maryborough, who was speaking about the globalisation of markets and the number of large players who have an enormous share of the world market and the implications that that is having for State and national Governments. As a civilised society, we have to do some pretty serious thinking about how we can regain control over what happens within the nation's boundaries.

I know that Mark Vaile has been speaking about the world trade talks that are coming up. I support the elevation of Mark Vaile to his current position. I think he has a pretty good understanding of the sorts of issues that Australia as a minor player faces. We are great exporters of what we produce, but we are minnows in terms of what happens in the marketing of produce around the world. Mr Vaile is very supportive of the World Trade Organisation establishing a set of rules and invoking penalties so that those people who do not abide by the rules can be scrutinised by the international body. At present, as was pointed out by the member for Maryborough, the major traders in the major countries

of the world do just as they wish without due regard to any of the sorts of agreements to which they may be signatory.

The big problem that we face is that a lot of people have a lot of money invested in the small family farm and are finding it very difficult to keep abreast of things. We have a social problem arising from that in regard to which all parliamentarians have to try to help out. The problem goes wider than that because many of the people who live in rural communities live in the towns, where there are retailers and people providing services. Efforts have been made by Governments of both persuasions in recent times to get them up to speed on the Internet and all sorts of information technology. I do not think it is very likely that a great percentage of those people find themselves playing a significant role in world markets. They have shaped and honed their skills on servicing the local community and, if the local community is diminishing because the number of people tied up in rural pursuits is diminishing, then their own marketplace is diminishing and that will add to the problems that we face.

It is true to say that over many years the Queensland education system has been right up to date in terms of making sure that we educate our people for the future. We are doing great things in terms of computer education and teaching students how to use the Internet. However, the reality is that a lot of families who rear and educate children in rural Queensland end up living in an empty nest. Mum and dad stay there but the young ones have to move elsewhere after receiving an education. I want to put it on the record that we are facing real problems as a consequence of the use of modern technology in research and agriculture.

I return to the barley industry and some of my observations about the pooling of that industry. I have been fortunate enough to represent a grain-growing area during the time that I have been a member of this House. I myself have been tied up in the grain industry for 30 years until recently. I have a fair idea of what is going on. I was a great admirer of the late Sir Leslie Price, who was instrumental in getting the Grain Growers Association to a position of great strength. He was greatly admired by all the people in the industry. He understood the marketing needs of the people who are involved in the industry.

Sir Leslie Price had obviously been brought up in an era when the market had enormous power. The growers' prices were always being brought down and they received pretty poor prices as a result of manipulation of the market by the marketeers—the grain traders. It was in the era of Les Price and those people who followed after him that we got into the pooling system. We are talking about single desk selling of barley today. The Federal Government has backed the wheat industry by being a single desk seller of Australian wheat internationally. That is a marketing ploy that we recognised as being necessary.

Over the past 20 years, there were those in the grain industry who wanted to remove the monopoly control of the boards because they thought that they could do better by dealing directly with the end user. They won the day. However, quite a few people, especially the farmers in the Dalby/Chinchilla area who are farming pretty good country but only on small blocks, are now starting to realise that although the free market might serve some people extremely well, it does not do a lot for the small growers.

Growers on the western downs or even further west growing a couple of thousand tonnes of wheat at a time can be sure that they will be knocked down by traders ringing up saying, "I want a thousand tonnes of this grade of grain or 1,500 tonnes of that." Those people have no trouble whatsoever in finding markets because they have the grain traders coming to them. They can market pretty well from that position of strength. However, a farmer from the inner downs area, who might grow 300 or 400 tonnes of grain, does not have a critical mass big enough to have any impact on the grain market. Some of them are now trying to get together and market as a group. Four or five farmers will get together and say, "We will put together a couple of thousand tonnes or a thousand tonnes of a certain type of grain and we will be able to play the same game as the big fellows."

Grainco is to a certain extent something that has grown out of the Grain Growers Association as a marketing arm. However, in recent times there is a point of view that it is just another grain trader; it is more interested in talking about giving the shareholders—the grain growers—a good dividend rather than giving them a good price, and there is a big difference.

I think it is worth stating here today that the time will probably come when the grain industry will once again swing back towards the pooling of crops, because the small farmer will find it too difficult to compete in the marketplace. Very often the small farmer is forced to take the price because he is a bit short of cash; he cannot hang on until the price rises. Once a weak link in the market price is established, that becomes the price of the day. The reality is—and the Minister knows this, because he has been out and about—that even though the grain industry is a huge industry in Queensland, it is not particularly buoyant. About 20% of the farmers in the grain industry are doing all right; they are putting enormous injections of capital into equipment, new technology and buying more land. But the majority of fellows are now battling; they are farming their country with machinery that is probably 20 years old and they are not able to replace it.

This piece of legislation has many facets. However, I certainly support the provisions that relate to marketing of barley. I was keen to put across my point of view about what has happened in the grain industry over the past 20 years and to point out the weaknesses of the free marketing system. I know that we in the National Party have been criticised and called agrarian socialists. I think that pooling makes good marketing sense, and I think that the industry will return to it in the future. I commend those people who are involved in the industry and the staff of the DPI who are out there doing what they can to promote the use of technology.

We have a big debate on our hands now in terms of genetically modified foods. I have done what I can to bring a bit of sanity to the debate. I think some people are a little unreal in their criticisms. There is a need for the people in the industry and for consumer bodies to better educate the public so that they have a fair understanding of what is going on. My explanation is that we have been altering the genes of plants and animals for a long time. Now we have the capacity to do it very quickly because of new technology, but none of us is growing four ears from genetically modified food that we have consumed over recent years. We can have a lot more confidence in them than some people would have us believe.
