



Speech by

**Mr DOUG SLACK**

**MEMBER FOR BURNETT**

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Hansard 26 November 1999

### **PRIMARY INDUSTRY BODIES REFORM BILL**

**Mr SLACK** (Burnett—NPA) (12.01 p.m.): As previous speakers and the Minister have indicated, there are two parts to this Bill. The first part of the Bill relates to dispensing with compulsory membership of primary industry organisations after a three-year period, with the possibility of a further two-year extension, depending on the growers voting on that issue. The second part relates to the meat industry. I propose to talk a little on both of those aspects of the Bill.

The point that we as a coalition are making is that we do not oppose reform in the organisations. We do not oppose a planned and proper move towards the bodies becoming non-statutory legal entities, but there must be proper planning and industry consultation, not just with the leaders of these organisations but with their members throughout Queensland. This is where we feel the Government has been found wanting. The Minister and the Government have put forward the argument that they have legal advice that indicates that there are some problems and that they need to react quickly to those emerging problems surrounding the legality of the compulsory nature of the structure of those organisations. That legality is under challenge by members and possibly others.

I would have thought that it would have been possible for the Crown Law advice to have been given to the Opposition spokesperson to satisfy us that the concerns are indeed valid. I see the adviser to the Minister shaking his head. Whilst he does that, I express my appreciation to the Minister and to the Primary Industries people who have been responsible for putting this Bill together for the briefing they gave us. But one of the problems that we ran into was that we were not provided with the legal advice that the Government had. To a point I can appreciate the commercial reality of that in that the Act and the positions are under challenge and that that legal advice could be quite critical if it was made available to those taking an opposing position within a court. But the shadow Minister is a responsible person. He was a Minister within the previous Government and indeed has been Premier of the State. I do not think that, in those circumstances, it would have been unreasonable to provide that information.

I can also appreciate that there are challenges out there. I have had fishermen come into my office—the Minister smiles—representing their position on the compulsory levy they pay to the QCFO. I know that the QCFO is very nervous about any change to the protection they currently get under the Act of the compulsory nature of their organisation. That is the main concern. I have spoken to most industry leaders, and they have expressed the same concerns to me.

I take on board the argument advanced by the member for Kallangur in his speech and I also take on board the interjection from the member for Fitzroy relating to the argument of compulsory versus voluntary unionism. That argument has been around for a long time. I can understand that unions and their membership may feel that, if union membership is non-compulsory, then what is good for the goose should be good for the gander—that is, employers, farming organisations and others should not have compulsory membership, either. There are arguments on both sides, and I think Government members recognise that. The reality is that services relating to court actions and industrial issues benefit all people within an industry and all union members within an industry and that, therefore, the levies paid result in benefit to all members of a particular industry, whatever that industry may be.

I believe that there is a realisation out there that times are changing and that the organisations we are talking about have to move towards non-compulsory membership. But, having said that, we

have to do it properly and the planning has to be right. There is, as I said, a real concern that the Government has not consulted widely enough with members of the organisations. The member for Hinchinbrook was about to read to the Parliament a quote from the Queensland Fruit and Vegetable Growers Chairman, Paul Ziebarth.

**Mr Palaszczuk:** That's past tense.

**Mr SLACK:** I take the interjection, but I will put the quote into Hansard for the record of the Parliament. The Opposition has been contacted by many people—the grassroots people in the various organisations that this will affect—who are concerned that they did not have an input into the outcome. The Minister will reply to the debate later. Obviously, if it is past tense, then he can confirm that to the Parliament. The statement, which is very definite, reads—

"My main concerns, which are shared by the Board, relate to the minimal consultation by government and, consequently, a lack of real opportunity for QFVG to influence the process. Also, the lack of time we have to consult with growers, and the potential for research, promotion and grower service programs to be disrupted is disconcerting.

As your representative body, we have been particularly frustrated that government has not actively sought our input, nor have they given us time to consult at length with you."

That refers to the organisation's own members. The statement continues—

"While I believe the decisions the Board made were the best under the circumstances, the experience and expertise of growers throughout the State would have been welcomed. Your suggestions and your collective opinions would have provided us with a stronger voice. They may have helped us minimise the potential for disruption to essential research, promotion and grower service programs.

Currently, there are more than 60 research programs, which are grower-funded to the value of more than \$1.5 million. Commonwealth government matches this research funding dollar for dollar meaning \$3 million in research could be at risk. Likewise there are 12 promotional programs totalling more than \$6 million, which also could be disrupted.

These programs are at risk because, unless through consultation and cooperation with government we can ensure a smooth transition, funded programs could be put on hold until the new levy collection processes are established. Research cannot and should not be stopped and started."

I am sure that the author of that statement would be interested to hear the Minister's comment about those sentiments now being in the past tense. I find it a little difficult to understand how contact with growers could have been made in the short time between when that comment was made and debate on this Bill. I find that hard to reconcile, but I will be interested to hear what the Minister has to say about it.

The issue of stamp duty is a worry and it has been raised by the member for Hinchinbrook and by the shadow Minister, the member for Crows Nest. I would be interested to hear what the Minister has to say about that. I have been a member of the cattlemen organisations that were referred to earlier in the debate. They are non-compulsory organisations. In respect of the concerns that have been expressed by growers from the fruit and vegetable industry, from the other organisations involved—Canegrowers, the dairy farmers, etc.—at the end of the day it has always been an ongoing argument within the non-compulsory organisations of which I have been a member as to whether it should be compulsory or non-compulsory. We have argued that just about every year that I was on the executive of the graziers organisation, and we always felt with some envy that the Canegrowers in particular had a good situation with a single marketing authority and the regulations that they had that protected them. There has always been that ongoing argument. This Bill, of course, is putting us into a situation in which all of those primary producer organisations are going to be on a similar level.

I would now like to turn to the provisions within this particular legislation that relate to the Meat Industry Act. They are obviously of interest to me as a meat producer and as someone who has been acting Minister for Primary Industries in the former Government. These recommendations that are before the Parliament follow along the lines that were evolving out of the Queensland Borbidge administration of Government. I feel that they were inevitable. Major changes were taking place within the meat industry, as the Minister well knows, and there are reports to show that. There was an overcapacity in our killing works. We have had major changes in relation to efficiencies that have been effected, which incidentally we needed to have within our killing works to compete in the international marketplace. We were also seeing the development of the live export trade on the supply of cattle to our killing facilities within the State.

So there were major changes taking place that were inevitable. The pressure was on from not only the work force but also added throughput. A review of work practices within the killing facilities showed that there was also the need to become very efficient. The changes etc., had to be very efficient to enable us to compete with the Americans or whomever else we were competing with. It was

always of concern to primary producers who were struggling—and the cattle industry has been struggling for many years, although it is on an upward trend at the moment—that we were not competitive with other countries in the slaughter process and we were competing against those country's products on the international market.

We had to see the changes that were taking place. Those changes also reflected the non-necessity of Government being involved in the provision of service works. I note that the Minister is nodding his head. That, of course, brought some heartburn in the results that have followed. It has meant that some works have had to close, particularly the inefficient ones. The smaller ones have had to close.

We see the pressure that is on now in relation to the Murgon works, which is not far from my own electorate. I can particularly relate to the Bundaberg works, because I was acting Primary Industries Minister. The QAC came to me when I was acting Primary Industries Minister and had pointed out that it was an old, antiquated works, that the losses at that time were in the order of \$40,000 per month, which was close to \$500,000 per year, and that they were proposing to close the works. The Minister knows the reasons why this may have happened. I note that the member for Bundaberg is in the Chamber. Now that she is a member of Parliament, she is more familiar with the reasons. I give her the benefit of the doubt that she was not as familiar with the requirements and the position in which the then Minister for Primary Industries and I, as acting Minister, were in in relation to the pressure that we were under regarding the Bundaberg works. No other course of action could have been taken. Had the member for Bundaberg then been in Parliament and in Government and been the Minister, I have no doubt that she would have acted in the same way.

However, I bore the brunt of considerable criticism at the time for the actions that we did take. We were very, very considerate. We said to the people of Bundaberg and the retailers, particularly the butchers who relied on that works as a service works, that they had to use the works and get that loss figure down from \$40,000 per month, otherwise it was just inevitable that it would close. But that did not happen. It was allowed to continue operating for another six months. Those figures continued and the decision was made by the Primary Industries Minister of the day—or really the QAC, who had a commercial responsibility—to close it. My understanding of it and my assurances at the time were that the union and the workers were supportive of that action. They understood that they were in a precarious position. Many of them had left. However, I would also like to put on record the fact that it was a very good work force. They did everything they could to make it work. Unfortunately, in the climate of that time, the inevitable took place. I was regretful that it happened, but it had to happen, and now we have moved on.

At the time we took that action, I was successful in getting the Government of the day to set aside that very important piece of land. We formed a committee from my department under the auspices of my department with local input. I believe that the member for Bundaberg was then the mayor and she was a representative on that committee which was set up to look at ways and means to preserve the food production nature of that land because of its very good location in relation to water services, road services, rail services, etc. That is now in the hands of this Government. We also invited expressions of interest from the private sector. We did that over a period of time. We bent over backwards to facilitate any opportunity that may have existed for the private sector to come in and put a proposition to the Government to actually operate those works, but that was all to no avail. So at the end of the day it was one of those unfortunate things that happened and we saw that with some regret.

I am very concerned at this point about the position in which the Murgon works finds itself. It is in a completely different position to the Bundaberg works; it is much larger. It has spent a lot of money on its works in the past few years. It has become very efficient. I had the opportunity of speaking to the receiver on a couple of occasions and he informed me that the major problem was capital. The problem was not in respect to the efficiency or competitiveness of the works in the international marketplace; it was that the debt was too high in relation to the equity of the shareholders.

I have written to the Premier and put that on record. I have spoken to people behind the scenes about the Murgon abattoir in an endeavour to ensure that the work force that supports the Murgon abattoir and the people who supply the Murgon abattoir are protected as much as possible. I say to the member for Bundaberg that I did the same with the works in Bundaberg. I can see her shaking her head, but I say categorically to her that, when the QAC came to me, I said, "If it is at all possible, I do not want that abattoir closed." We gave them a six-month extension and I had to convince them of the commercial realities.

**Mrs Nita Cunningham** interjected.

**Mr SLACK:** The member should just listen. I know, because I was in the meetings. I had to convince them. I said, "You are coming into a summer period, where there is likely to be a greater supply of cattle, more usage in the meat and so on. You could get a second-hand boiler." There were thousands of dollars to be spent on a second-hand boiler in a works that was antiquated, old, without

an export licence and so on. Many of the large chain store retailers and some of the butchers were sourcing their meat from outside Bundaberg. I had representations from them all.

After an extension period of six months the situation had not improved. It actually got worse when it had the best chance of improving. It did not improve and there was nothing more I could do in the circumstances. I think it is very unfair of the member for Bundaberg to place any blame on me personally or on the Government of the time in respect of it having acted responsibly on the issue of the abattoir in Bundaberg. I note that the member for Bundaberg is to speak in this debate. I will be very interested to hear what she has to say on this issue.

**Mrs Nita Cunningham:** I am going to speak on the Bill.

**Mr SLACK:** That is good, because this is part of the Bill. The QAC had a responsibility in this. What the member for Bundaberg will vote on and support later relates to the Bundaberg situation. I thank the House for the opportunity to contribute to this Bill. As the Opposition spokesman said, we support the Bill, with some reservations.

Time expired.

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