



Speech by

Hon. HENRY PALASZCZUK

MEMBER FOR INALA

Hansard 20 July 1999

MINISTERIAL STATEMENT

Dairy Industry Deregulation

Hon. H. PALASZCZUK (Inala—ALP) (Minister for Primary Industries) (10.14 a.m.), by leave: Last week the Victorian coalition Government announced its plans to fully deregulate its dairy industry from 1 July next year. This decision has been foreshadowed for some time. In fact, industry leaders have been working on a national restructure package of \$1.25 billion to manage the removal of market milk regulations across all States and Territories. The Federal coalition Government is considering the package.

Under this package, all regulations will be removed from 1 July next year. The proposal is for a \$1.25 billion up-front payment to be shared by Australian dairy farmers. This will be paid via a Commonwealth levy imposed as a retail levy on milk, with a 10c per litre levy to be applied for eight years. I have told industry that I have reserved my judgment on the proposed package until it emerges out of the Federal Cabinet room in Canberra. I am yet to be convinced that dairy industry deregulation in Queensland, with or without the package, is in the best interests of our State.

This Government legislated late last year to retain a regulated farm gate price for market milk for five years and extend supply management arrangements. All members of this House supported that legislation. Our legislation recognised that to expose dairy farmers, their families and their communities to full-blown deregulation on 1 January this year would have caused enormous social and economic upheaval.

It is important to remember that the dairy industry is one of Australia's largest rural industries, employing some 60,000 people. The national restructure package does not prescribe any measures of support for the workers and communities dependent on the survival of the Queensland dairy industry. Also, there are a number of outstanding issues in this package, such as the tax treatment of the payout and the collection of the levy.

This Government recognises that full deregulation of the Victorian dairy industry will apply significant pressure here in Queensland. We need to see the outcomes of the ongoing Senate inquiry into the dairy industry. We need to examine all options and we must consider what is in the best interests of Queensland. We have to get it right. I intend to work closely with the new Federal Agriculture Minister, Warren Truss—a Queenslander—to achieve the best results for Queensland.

This Government is supporting the dairy industry. We believe in continuing to deliver what is best for the Queensland dairy industry and what is best for the rural and regional communities dependent on it. We expect all members to share that commitment.
