



Speech by

JEFF SEENEY

MEMBER FOR CALLIDE

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PRIMARY INDUSTRIES LEGISLATION AMENDMENT BILL

Mr SEENEY (Callide—NPA) (12.30 p.m.), continuing: When debate on this legislation was adjourned I was referring to a letter written by employees of the Murgon meatworks in response to claims made by people in this House that the South Burnett Meat Works plant was run down and poorly managed. The letter states—

"The plant, over the past 5 years, has had in excess of \$11 million spent on it. This has meant a new kill floor, new boning room, new chillers, new yards and a state-of-the-art dicer/slicer machine with an automatic packing line (the only one of its kind in Australia). Other upgrades have been up to date computer system for scanning and tracking of product along with computerised refrigeration including variable speed mechanisms to reduce shrinkage and a modern container loading facility with the ability to load containers direct onto rail. All refrigeration systems are in excellent condition and the plant has an enviable international reputation for quality product and for servicing the needs of its customers.

The management, staff and workers in this plant have worked together over a period of time to make significant inroads in cost savings and additional revenue. We now have in excess of 2% extra yield above the national average and above some major competitors. Our cost to operate has been reduced in excess of 30% over the past 12 months and an independent assessment by one of the "Big 6" accounting firms put South Burnett Meat Works in the lower 25% in operational costs per head. More recent cost savings will again reduce operating costs by an additional \$15-\$20 per head.

There have been major achievements in the marketing of product direct to supermarkets in Asia and direct to the food service sector in the USA. This has been achieved through our marketing arm, QSun Foods Pty Ltd and is therefore critical to any successful restructuring/refinancing of the operation. These have provided substantial increases in revenue recently and are continuing to grow at an exponential rate.

Since the administrators have been appointed, we have noticed the tremendous support from the livestock producers in Queensland, suppliers, non-suppliers and creditors and it is very much appreciated. We have also received substantial support from other creditors who have told us that when we start again they are prepared to continue to do business with South Burnett. Our customers also have indicated every intention of sticking with us when we recommence operations and it should be noted that all of this support has been unsolicited.

We do understand that we are undercapitalised but with an injection of capital we believe that current management with the additional advantages in costs and marketing already in the pipeline, are well equipped to take South Burnett Meat Works into a profitable future."

That letter is signed by approximately 300 employees of the South Burnett Meat Works. It is an indication of the response in the South Burnett community to the ill-informed comments by the Premier and the Deputy Premier and Minister for State Development. Since then, the Deputy Premier has made certain statements in this House that have given the impression at least that the Government was prepared to devote some funds to the South Burnett Meat Works.

I attended the second creditors meeting in Murgon a little over a fortnight ago. The creditors and the suppliers of the South Burnett Meat Works met with the administrator to decide on the future of the operation. It became obvious at that meeting that what this House had been led to believe by the

Deputy Premier in reply to a question in this House on 27 August was not quite the situation. Once again, I believe this House has been misled. Not only has this House been misled but also the people of South Burnett and all the stakeholders in the South Burnett Meat Works have been misled. On 27 August the Deputy Premier stated in this place—

"The Government has been working actively with Suncorp-Metway, the administrators and directors of the board over recent weeks to achieve a satisfactory outcome that could maintain a viable—and I repeat 'viable'— meatworks in the South Burnett."

I am informed that the Deputy Premier has consistently refused to meet with the directors of the board. The so-called assistance is dependent upon any particular proposition being judged as viable. The proposition that the directors have worked so long to develop has been dismissed out of hand by the Government as being not viable, which quite effectively means that no assistance will be forthcoming. This leaves the South Burnett Meat Works and all the communities in the South Burnett in a very difficult position. It is very difficult to underestimate the impact on Murgon and all of the other South Burnett communities of the loss of those 500 jobs. It is increasingly likely that those jobs will be lost.

There are now only two options for the South Burnett Meat Works. First, the administrator has received a very small offer for the works. It amounts to some \$5m, I believe. My information is that the administrator has been unable to sign a contract for that sale. The only other option is the one that has been judged not viable by the Government, that is, for the directors and the shareholders, with some Government assistance, to mount a rescue package. It appears that, in reality, that is not going to happen. That is going to leave the South Burnett in a situation which, as I said, is very difficult to overstate. It is one thing to lose 500 jobs in a major metropolitan centre. It is something else altogether to lose that number of jobs in a small community such as Murgon.

Today I can make only one last appeal on behalf of the people of the South Burnett for the Deputy Premier, who has carriage of this issue, and the members of the Government generally to look again at this issue and once again consider the social and economic costs to the entire South Burnett community of this operation finally ceasing.

It is very difficult to see how the operation is going to continue and continue to provide the jobs and the economic base for those communities without a considerable amount of Government assistance. The ball is very much in the Government's court. This is not something that should be the subject of political games. It is not something that should be managed for the sake of media reports. That certainly happened with respect to the Dorothy Dixier question that the Deputy Premier answered on 27 August.

Mr Sullivan: What about the interjections and questions from you when you didn't even know that your own people had refused to put one cent into it when they were in Government?

Mr SEENEY: What happened seven years ago or nine years ago is hardly relevant to the debate. What the Government and I as the local member have to deal with now is the fact that there is the very real risk of 500 jobs disappearing from Murgon. When we try to deal realistically with that problem, there is very little point in turning it into a political argument about what happened at some time in the past. We are dealing with 500 jobs, 500 families and quite a number of other creditors and suppliers of cattle and all sorts of product who cannot afford to lose the money that they are owed.

This is a very basic human problem. It should not be made into a political football. The point I am making is that the only people who can realistically do anything about it are those in the Labor Government. As I said, the ball is in its court. I take the opportunity today to make a final appeal on behalf of the people of the South Burnett and the people of Murgon in particular.

The coalition is certainly supporting this primary industries legislation. I do not believe that there is any need for me to comment at length on any other sections of the legislation. However, I do appreciate the opportunity to put my comments on the record and to correct some of the wrongs that have been perpetrated in this place with respect to the Murgon meatworks.
