Speech by

Hon. KEN HAYWARD

MEMBER FOR KALLANGUR

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PRIMARY INDUSTRY BODIES REFORM BILL

Hon. K. W. HAYWARD (Kallangur—ALP) (11.49 a.m.): I rise to support this Bill. It introduces long-needed reform into the arrangements for the representation of primary producers of the five commodities the member for Hinchinbrook mentioned earlier. They are cane, fruit and vegetables, fish, milk and pork. Producers of those commodities are currently required to be members of a statutory producer representative body and to pay levies to those bodies, as was mentioned by the members for Crows Nest and Hinchinbrook. If they fail to pay the levy, they can be sued under State law. Queensland is the only State in Australia where that form of compulsory membership and levy paying is applied.

After listening to what the shadow Minister and the member for Hinchinbrook said, I believe it is worth while examining the policy reasons why such a system should operate. From what they have had to say this morning, I detect qualified support for the Bill but also concerns about the issues that have been raised. Queensland Governments have historically seen successful agricultural industry development as playing a major role in the State and justifying significant intervention. One of the ways in which successive Governments have for decades sought to encourage such development is through compulsory collections from producers for a variety of purposes which, it was thought, would increase the profitability and growth of the primary sector. Such purposes have included compulsory membership of primary producer representative bodies.

Compulsory collections for that purpose have been justified on the following policy arguments. Firstly, the organisations were intended to assist in the orderly regulation of agricultural industries. The Labor Governments of the 1920s, thirties and forties felt that by organising producers into such bodies they could effectively engage in the central marketing of various commodities by statutory authorities. That could best be described as the orderly regulation argument. Secondly, in industries with a large number of small producers—particularly in the fruit and vegetable industries—it was argued that compulsory contributions from all would lead to the creation of assets and services that individual producers could not provide from their own individual resources. The member for Mackay discussed a decision in relation to Mackay canegrowers that was reasonably controversial at the time. However, because a number of growers were able to be bundled together, in the long run it has turned out to be a very successful decision for that group. The argument states that the income raised by the whole group is much greater than individual resources and that farmers are able to pool resources for the greater good of the industry.

Thirdly, it was argued that compulsory membership and levy paying would ensure that all producers contributed to industry development according to the size of their production. That is the fairness argument. If everyone has to toss into it according to their size, they are then not able—as we say in Australia—to bludge on other producers. Everyone has to hit the till according to their size. That would avoid the problem of some farmers opting to not contribute, believing that others would do it anyway. If a few do not contribute, others will also drop out, leading to a downward spiral of contributions. Fourthly, those levies were collected because those organisations were intended to operate as a convenient single voice for industry in dealing with Government. Technically speaking, the Government knows that the body speaks for the industry. Possibly, that could reduce the need to liaise with many fractured small groups that claim to represent different factions of producers.

In examining the transition to voluntary membership that this Bill proposes, in this Parliament we must consider whether those arguments for their retention are still persuasive. I believe that the orderly

regulation argument is no longer really applicable. Queensland has largely ceased to operate statutory marketing authorities, with the important exception of sugar through the Queensland Sugar Corporation. Certainly where statutory marketing authorities operate, producer organisations based on compulsory membership are not required to allow them to operate effectively. The acceptance of the collective action argument depends on how various members of Parliament or people in the community see things; that is, it depends on one's philosophical framework. It remains true that small farmers find it difficult to provide individually the services that they increasingly need to remain competitive—which is important—and to improve their farm practices, their market access and, ultimately and most importantly, their profitability. To some extent, the argument in relation to people who take a free ride by not contributing needs to be considered in that context. If all producers are not compelled to contribute to the provision of the public good, it will not be provided. Collective action may be thought to require compulsion in order to overcome the tendency for some people to take a free ride on other growers. Nonetheless, as all members in this Parliament know, there are a number of examples of producers who have voluntarily banded together to contribute to the provision of an asset without State coercion. Members in agriculture areas would be able to think of plenty of examples.

In the fruit and vegetable industries in most States, the various commodities—for example, mangos and bananas—maintain separate representative bodies. There is no overall voice for the industry such as that which the QFVG provides here. However, in other States, the dairy and the pork industries have one body to represent their interests to Government. In relation to sugar, compulsion has not meant that only one organisation exists. The member for Mackay discussed the Australian Canefarmers Association. At one stage, the member for Mirani, Mr Malone, was not only a member of that organisation but he was also the chair. It is a voluntary organisation to which approximately one-third of canegrowers pay levies in addition to those paid to Canegrowers. In other unregulated agricultural industries, representative organisations have successfully emerged. The Government has not experienced difficulty in dealing with them. Many members opposite would know that, in the cattle industry, two bodies have coexisted for 20 years, the United Graziers Association and the Cattlemen's Union. Neither organisation has compulsory membership. In fact, there are 62 bodies that represent primary producers. Only five of those bodies have as a requirement compulsory membership. Apart from Agforce—which was created through a merger of the UGA, the Cattlemen's Union and the Graingrowers Association—the five statutory bodies are the largest and most successful representative bodies. We need to acknowledge that. The key question is: why are those bodies special and why should they be singled out for the benefit of compulsory membership? An important in-principle argument—and it is an argument that during the course of this debate will arise, as I am sure it has arisen on a number of occasions in the Opposition caucus room—has been the argument about freedom of association.

It may be argued that compelling producers to be members of an agri-political organisation breaches their right to freedom of association. While that principle of freedom of association is generally applied too widely, it is one that rural producers are certainly very forceful in pushing in relation to other sectors of the economy, certainly in most cases regarding trade union representation. When we examine the policy rationale for retention of compulsion, it really is hard to see that it exists. In other words, there does not seem to be any rationale for it. The Government is quite rightly moving with this Bill to bring much needed reform to this area of industry organisation.

It is also important to acknowledge that the five bodies are being given time to adjust. The shadow Minister talked about that this morning. In this case, they have been given three years to adjust. These bodies, of course, will no doubt dramatically change over the next three years. It is important to acknowledge that those three years are there for that adjustment period. That transition period demonstrates that the Beattie Labor Government is not about thrusting any kind of radical change on people. This Bill is very clearly about gradual transition, and that of course is a strong approach of this Government. I commend this Bill to the House.