



Speech by

Mr M. HORAN

MEMBER FOR TOOWOOMBA SOUTH

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PRIMARY INDUSTRY BODIES REFORM BILL

Mr HORAN (Toowoomba South—NPA) (12.56 p.m.): The Primary Industry Bodies Reform Bill affects five statutory producer organisations and also has an impact on the meat industry. As previous Opposition speakers have stated, we are giving this Bill our qualified support. It has been highlighted how this Government, with inordinate haste and without due regard for the producers, is trying to stampede this Bill through the House. Earlier in this debate we heard the member for Springwood taking a cheap shot at a policy adviser in the Opposition office. Although he is unable to defend himself in this Chamber, I certainly can.

Mr Cooper: It wouldn't worry him.

Mr HORAN: I do not think it would worry him to have a shot taken at him by the likes of the member for Springwood; he is 10 times a better man than the honourable member.

Mr DEPUTY SPEAKER (Mr D'Arcy): Order! During this debate I have made certain rulings. I suggest that honourable members keep personalities out of this debate and get on with it.

Mr HORAN: I will do that. It was unfortunate that the member for Springwood made remarks about that policy adviser in this debate.

The former coalition Government was undertaking an extensive consultation program, and some of the Minister's current staff attended public meetings. The member for Springwood said that we were going to go cold turkey. He is absolutely wrong. There were a number of public meetings and extensive consultation with the producer organisations and the farmers themselves, both individually and collectively, about aspects of this legislation. The review was being conducted carefully and slowly so that the wishes of the producers could be met.

This legislation affects the statutory organisations of the dairy, pork, cane and fishing industries, which are going through some of the most dramatic changes they have experienced for decades. Sugar prices tend to be cyclical and, at the moment, that industry is facing some of the lowest sugar prices for some time. It has to deal with the recent sugar Bill and come to grips with all that is in that. In a recent session of Parliament, that legislation was debated exhaustively by the Opposition. The fishing industry has to deal with the East Coast Trawler Management Plan and endeavour to come to grips with and work through that issue. Approximately a year and a half to two years ago, the pork industry went through probably its worst price slump ever. It is coming out of that now into a period of higher prices and exports. KR in Toowoomba has been able to expand into Singapore. The residual effects of the slump in the pork industry with which the Queensland Pork Producers Organisation had to deal were quite incredible, particularly some of the human aspects.

Sitting suspended from 1 p.m. to 2.30 p.m.

Mr HORAN: Before the luncheon recess, I stated that there could not have been a worse time for the Government to have rushed and endeavoured to force this legislation through the House. The fishing industry is working through the East Coast Trawler Management Plan. The sugar industry is facing some of the lowest prices in years. The pork industry is trying to come to grips with the devastating prices it has faced in the previous couple of years. Currently things are going moderately well for the pork industry, but many producers are having to endeavour to expand to meet the new demands of the export industry through KR Darling Downs in Toowoomba and the future establishment

of Danpork in Warwick. Due to what many producers have gone through in the past couple of years, when many have put off staff and scaled down their operation, for many that redevelopment is very difficult. People have sold off their second car, shares, caravan and anything else they can just to survive.

The one industry that really needs its organisation and a long period of smooth sailing is the dairy industry, which is going through a process of deregulation and experiencing uncertainty about whether deregulation will proceed any further. For a long period, the Queensland Dairymen's Organisation has provided enormous support for the dairy industry. That industry has gone through stages. At one stage it had some 20,000 producers. That figure gradually reduced to a lower number as farms moved away from cream supply and moved to bulk supply. During the period of farm amalgamation, many of the smaller dairy farms were able to amalgamate with other small farms next door. Then the industry moved into the period of herringbone dairies and a more modern system of pastures using high-density rye grass and better genetics.

Importantly, in that period, the industry went through some quite momentous negotiation in which the role of the QDO was very, very important. That was the time when dairy farmers were endeavouring to get access to market milk. When a limited amount of market milk was available to farmers in south-eastern Queensland, farmers on the Darling Downs, the Gympie/Wide Bay area and in the South Burnett were trying to access market milk. Almost all those farmers were supplying only manufacturing milk to the likes of Kraft, Nestles and the various cooperatives that were scattered around the downs and the South Burnett. The price that they were getting for their milk was half or less than the price that producers were getting for market milk that was going into the bottle supplies in the capital city and coastal areas. It was a momentous struggle. At that time organisations such as the Queensland Dairymen's Organisation were very important, even though at times they were representing people on both sides of the fence. It was in the late seventies that the farmers in the Gympie area were able to get their foot in the door and get a small amount of quota. The first amount of quota that was provided was only 2%. That was the start of the farmers in those areas being able to access quota.

That industry developed itself. The QDO has been the advocate for the industry for many years. Throughout the eighties and the early nineties the industry had a period of relative stability, until someone came up with the cockeyed idea of National Competition Policy and saw a way of taking a wonderful industry that involved an enormous amount of hard work and turned that industry into one that is currently based on uncertainty. It is an industry in which people have a huge investment in their property, machinery, the genetics of the cattle and their planning and operation. They have great uncertainty about where deregulation will lead. In that context, the QDO is so important. The Queensland Dairymen's Organisation now will go through a period of uncertainty over the next three to five years as it moves to being a voluntary organisation.

This Bill is about removal of the statutory levy collecting provisions for five organisations. It will involve the repeal of the Primary Producers' Organisation and Marketing Act and the Fruit Marketing Organisation Act 1923. The transition provides for the removal of the levy but the maintenance of statutory membership for a period of three years. At the conclusion of the three years, a poll will be held at which the majority of farmers will have to support continued statutory membership for it to be retained for a further two years. If the poll is not held or if it is lost, the organisations will become totally voluntary after three years. If the poll is successful, the organisations will become voluntary at the end of the five-year period. That time frame will be important for organisations such as the QDO, which have so much on their plate at the moment trying to deal with deregulation and the decision about whether it will occur. Much will depend on the poll to be taken in Victoria in December. Already it appears that the Labor Government in Victoria may renege on its promise to go with the farmer's wishes. Now it is saying that that will be only one aspect that it will consider.

Massive deregulation has already occurred in the processing sector. A system of management supply and a farm gate price will continue until the industry moves into the final stages of deregulation. I told the Productivity Commission on two occasions—once in a submission and once when it came to Toowoomba—that the dairy industry is the greatest example of all of what National Competition Policy does. In dairy deregulation, National Competition Policy transfers cash from country towns to centres of heavy population, such as capital cities and the more heavily populated coastal areas. If the deregulation goes through to its finality, each farmer will lose approximately \$40,000 per year from their income. A small country town such as Allora has 20 or 30 farms. At \$40,000 each, that is \$1m or more that would not go into Allora. That cash is still in the retail system somewhere. People buying milk off the shelves in the supermarkets are paying more for their milk. Due to the great idea of deregulation, milk now costs 14c a litre more. As a result of deregulation, processors who were making money under the regulated system are now facing greater, wider competition and are trying to knock each other off the supermarket shelves. Consequently, they claim that they have to put up their prices by 14c a litre. As a result of an academic idea that emanated from down south, everybody is paying more for their milk and producers are uncertain as to where they go. That is a great example of the need to start to

listen to the people themselves through the politicians rather than to appointed academics and appointed bureaucrats who have not had to get up at 5 o'clock to milk the cows, shift the irrigation or borrow money from a bank to undertake an operation.

The real problem with this legislation is its total and absolute lack of consultation. At some stages, secrecy provisions have been imposed by the Minister. Industry organisations have not been able to consult with their people. The grassroots farmers and their families are angry. They are concerned about the way their organisation is being treated and what will happen to its assets as it goes through many transitional stages. This Bill is a rush job. One has to wonder what is behind it.

I call on the Minister to tell us during the debate today what the legal advice is that he has had that makes it necessary to rush this Bill through. If there is any legal advice, what is it? I ask the Minister to tell the House so that we all know.

The other piece of legislation that is affected by this Bill is the Meat Industry Act. During this debate and since the commencement of this Parliament, we have heard a lot from those on the Government side regarding their apparent commitment to the development of the Queensland meat industry. In his second-reading speech, the Minister criticised the former Borbidge Government for its strategy to withdraw from the Government's ownership of meat processing facilities. We also heard him to try to claim credit for this withdrawal strategy as if it was part of Labor's grand plan for the meat industry.

We have heard the Beattie Government bucket the report of the Borbidge Government's Meat Processing Consultative Committee which identified exactly what difficult circumstances the meat industry has endured for the past decade, the prognosis for the future under different scenarios and, as per the riding instructions from the Borbidge Cabinet, a range of recommendations to assist the industry redevelop, value add and employ workers. We have then seen the Beattie Government adopt that report and half of its recommendations. There is a bit of a theme developing here of rampant hypocrisy, which we see from the backflip Beattie Government all the time. It gets better. If we look at what has happened in the past and work out what Labor's position was in Opposition, we can see the real hypocrisy.

It is staggering to see how Labor's policy—if you can call it that—has changed since they took up occupancy on the Government side of the Chamber. Following the Beattie Government's adoption of the MPCC report and half of its recommendations, various forms of assistance have been offered to a number of private meat processing companies. That is welcome, although I am concerned about the selective release of the details of that assistance and the lack of transparency in the process by which applications for assistance were assessed.

My colleague the member for Crows Nest has also expressed these concerns on a number of occasions in this Parliament and during the Estimates hearings. The Beattie Government has announced the details of assistance that it has offered to Darling Downs Bacon, Southern Queensland Exporters at Wallangarra and Western Exporters at Charleville. The coalition welcomes that assistance. It has also assisted Australian Country Choice and Australia Meat Holdings, or AMH, to expand its Dinmore operation, but there has been no detail of that assistance. Why not? What is there to hide?

Unfortunately, while some works have been undertaking developments and value adding, others like the South Burnett Cooperative Meatworks have closed. The Premier and his Government have bragged in this Parliament of the boon to Queensland as a result of AMH's expansion. The Government has praised that company, often in glowing terms. That is fine, but it was a different story when Labor was in Opposition. On 14 November 1997 the member for Rockhampton and now Minister for Public Works and Housing said this—

"The Government has obviously bowed and scraped to companies such as AMH—a most treacherous company."

He went on to say—

"He"—

that is, the Minister—

"is bringing in a grubby mob like AMH, which is backed by ConAgra, an internationally discredited United States company that employs Mexican kids and is held up for ridicule internationally."

I wonder if the Minister for Public Works and Housing still stands by those comments that he made in this Parliament. I also wonder where the Premier and the Minister for Primary Industries stand in regard to those comments.

The member for Bulimba had plenty to say in Opposition as well. He used to rail against the Government's withdrawal from the meat processing industry, but now in Government there has been no reversal of our policy by the Beattie administration. The disposal of QAC continues with a few

alterations. This Bill provides for that withdrawal to continue. We welcome the fact that the Beattie Government has adopted much of the former Borbidge Government's policies.

There are a number of matters in this Bill relating to meat operations. The QAC board, like any Government owned corporation, has to operate commercially. As the Government begins winding down the QAC, it will be difficult for the board to do that. I want to mention one particular human side of what is happening with the QAC withdrawal. I know that most of the meat workers at Toowoomba have been able to get work. But there is a fellow who I know well who is in his 60s. He was a yardman. He worked in the yards on horseback for many years, and in recent years on foot. It is people like that who have a house in town who will find it very difficult. A number of people have been able to go to Wallangarra and the meat operator there. Some will be able to find work for Beef City or KR with the expansions occurring there. But this is someone in his 60s who has been a good yardman. There are not always additional positions like that available in the surrounding districts. I certainly hope that he will be able to get work because he has been a great worker for many years. He is a true salt of the earth person.

As this Bill is to do with primary industries and as the Minister is in the Chamber, I want to take the chance to mention—and I know it is drawing a long bow—the situation in Toowoomba regarding the prevention of cruelty and the dire straits that the QAC will be in when 1,700 animals may not be able to be cared for because of the decision by the Toowoomba City Council to put in place its own facility to look after strays. I know that it is a side issue, but I want to bring that to the Minister's attention. If some assistance can be given there, I am sure that in time something can be worked out.

In conclusion, it has become quite clear in the debate in the Parliament today that, despite the flowery words of the second-reading speech, there has been absolute pitiful consultation. This legislation is being forced through this Parliament. The farmers themselves are angry that they have not been consulted. With the difficulties that those five organisations are going through at the moment, there could not be a worse time to be forcing this strategy onto those organisations. They have served their producers very well for many years through the ups and downs of their particular industries. Those organisations and their producers deserved extended public consultation. We see this happen with those on the other side of the House on so many issues. If this had something to do with social engineering there would be draft papers, green papers and consultation. But that has not happened in this particular case.

Time expired.
