



Speech by

Hon. RUSSELL COOPER

MEMBER FOR CROWS NEST

Hansard 10 November 1999

MILK PRICES

Hon. T. R. COOPER (Crows Nest—NPA) (10.09 a.m.): I wish to express the outrage of members on this side of the House that deregulation of the processing and retail sectors of the dairy industry have forced the price of fresh milk well above that of soft drinks. Checks at a local supermarket revealed that Coca-Cola was selling at \$1.20 per litre. Yesterday's 8c per litre increase by milk processor Parmalat has taken its recommended retail price to \$1.31 per litre, but the absence of any price regulation means that retailers were charging \$1.35 per litre and more. The price rise, effective yesterday, follows a previous increase of 6c per litre in April.

Deregulation of the processing and retail sectors of the dairy industry has not delivered benefits to consumers or dairy farmers. Consumers are now paying higher prices for milk but none of the increase has been passed on to dairy farmers. Milk is one of the most healthy and nutritious foods available—a staple part of people's diets—yet under deregulation it has now been priced over and above the likes of soft drink.

For families on budgets, any increase in the price of groceries is hard to accommodate. Queensland appears to be following the experience of the deregulated Victorian market where the retail milk price is around \$1.40 a litre. If the Victorian experience is anything to go by, under deregulation milk prices will continue to increase, widening the gap between milk and other far less nutritious alternatives.

Total deregulation of the dairy industry, including the removal of the regulated farm gate price, will result in farmers receiving less for their product. Farmers have not seen one cent of these two milk price increases, and if the dairy industry is fully deregulated they will receive even less for their product than they do now. The commercial pressures on the industry from the big three retailers and the big processors are massive and it is essential that the Beattie Government act to safeguard Queensland dairy farmers.

Deregulation is the No. 1 furphy in this State and, I believe, in this nation. Under deregulation, farmers get less, consumers pay more and the big processors and retailers get the cream. It is so unfair. The State Government has to indicate soon whether it will help dairy farmers and whether it is going to support the Federal Government's \$1.8 billion scheme to soften the blow to dairy farmers.

Time expired.
