



Speech by

**BILL FELDMAN**

**MEMBER FOR CABOOLTURE**

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**COMPETITION POLICY REFORM [QUEENSLAND] BILL**

**Mr FELDMAN** (Caboolture—CCAQ) (9.55 p.m.), in reply: As was highlighted earlier, the debate on the Competition Policy Reform (Queensland) Repeal Bill has gone on over a number of weeks now, and it has been very enlightening. I thank all honourable members for their contributions and for the manner in which they have conducted the debate. The debate has highlighted the fact that there is a real devil in the competition policy as it has been dished out to a lot of communities across Queensland and Australia.

I can relate to the comments of the member for Woodridge, who said that his family came off a small farm or a small lot. As the son of a cream farmer from Kumbia, it is enlightening to know that somebody else has come off a small property that met with devastation. As he said, his parents went broke a few times working their way through life. My family was no different. My father's passion was farming. Unfortunately, he wound up having to join the Transport Workers Union and drive trucks for a living rather than working with his brother on the farm that they lost due to the elements and a drought back in 1964.

As I make my contribution to the House tonight, I will highlight some of the things other members have said and respond to their questions as I address the devil of the National Competition Policy and the reason for our introduction of the Competition Policy Reform (Queensland) Repeal Bill.

There is probably no legislation more soul destroying for the average Queenslanders than that which implements the idiocy of the National Competition Policy. Competition is healthy, but the rampant, ruthless and unbridled predatory behaviour which is condoned and even encouraged by the National Competition Policy is already destroying the very fabric of our society. I acknowledge that the financial gamblers, the shareholders, the futures punters and those who seek, and often find, a short cut to wealth through derivatives trading and the like may applaud, and indeed embrace totally, economic rationalism. However, that quick quid—that quick make—comes at the expense of the small and inexperienced investor, the mums and dads who cannot afford the losses that are necessary to fuel the profits of the big operators.

Meanwhile, in the real world of production out there in rural and regional Queensland, National Competition Policy wreaks absolute havoc among farmers, the workers and the small business operators. Let me reiterate those sectors of our communities—the farmers, the workers and the small business operators. Those people are the real wealth producers of our State. They are the people who actually produce the goods and services. They are the people who are the backbone of our society and they are the people who deserve a fair go, but instead they are being ground into the dirt by the ravages of a flawed economic theory.

"The free market will provide competition and efficiencies which flow on as benefits to the consumer", say the simpletons who promote this puerile dogma. Wrong, and I mean wrong! For a start, there is absolutely no such a thing as a free market. Every single market, from the tiniest local flea market to the mammoth international commodity markets, suffers aberrations, whether deliberate or coincidental, because of the formation of monopolies, oligopolies and cartels, predatory pricing, market share dominance and a raft of other factors. Even if there were such thing as a free market, any efficiencies would be more likely to flow into increased profits for the dominant company than into benefits for the consumers.

The level playing field of laissez faire economic theory has all but destroyed the Australian beef industry, as other speakers have already highlighted. I pay homage to those on this side who spoke about the beef industry with passion. In years gone by there were myriad meat companies and small and medium butchering enterprises; competition was strong and producers received realistic prices for their cattle at saleyards throughout the nation, and then entered the market manipulating bullyboys.

The Federal Government stood idly by and allowed the amalgamation of a host of meat processing and exporting companies to form a conglomerate which became Australian Meat Holdings. AMH is an arm of the monolithic transnational, ConAgra. I do not have to tell members on this side what it is about, but I will let other members hear about it. The formation of this entity alone, absorbing several of the major players of the industry, caused a massive—and I mean massive— drop in competition. That was not enough for this greedy predator. AMH embarked on a vicious campaign to achieve market dominance. One by one smaller opposition operators were singled out, attacked and ultimately destroyed.

AMH buyers wandered the saleyards openly nominating who had been chosen as the next victim of its ruthless campaign. It attacked its opposition by forcing prices above viable levels. It had the market coverage and livestock turnover to average its purchases and the financial might to withstand any short-term trading losses. Its presence in every market in the State ensured that its victim found no relief, and one by one it annihilated its opposition and became ever more dominant and exerted ever greater control.

At the same time it waged a concerted campaign against the auction system, which had been the mainstay of competition. By forcing producers to sell weight at works, it would have even greater control over cattle prices. It was aided and abetted in this campaign by leading luminaries in the Department of Primary Industries who, for whatever reason, encouraged producers to sell direct, further tightening the noose around the neck of the beleaguered producers. That company has all but achieved its aim. Morex and Hub Meats, Murgon, are but two of the many who tried to provide competition in the marketplace against this predatory juggernaut, and they failed.

AMH rolls on and inevitably will be the sole arbiter on cattle prices. Cattle producers will be at the absolute mercy of this greedy multinational, and I believe that it is fair to say that they will take a fair bit of convincing about the credibility of the free trade theory. These are the bullyboys who are the mates of our current State Government. This is a company that received a \$500m hand-out by way of a massive taxpayer-funded upgrade of the Dinmore rail yards. This is the privileged organisation whose executives travel around Japan on a Government jet to conduct their business, and I am sure that the displaced workers of Murgon—and there might not be so many now that they have received a bit of a hand-out package—and the disadvantaged beef producer clients of that company would be thrilled to see their tax dollars being spent so judiciously!

AMH, this Government's bullyboy mate, is just one of the monopolistic beneficiaries of a crazy free market theory which underwrites the National Competition Policy. The National Competition Policy driven onslaught on the regulated milk market was supposed to deliver benefits to the consumers, many of whom are real battlers to whom milk is a vital daily requirement. But will it deliver cheaper milk, better milk or a more assured milk supply? Will it deliver any benefit to the consumer whatsoever? The answer is a resounding no.

It is now a matter of record that even the first stages of deregulation have resulted in a reduction in the price to the farmer but an increase in the price to the consumer. We heard again just the other week of another 9c per litre rise in the retail price of milk. The only efficiency likely to be achieved is that the Victorian dominance of production will force Queensland farmers directly to the wall, and where is the efficiency in that? Where is the community benefit? Where is Queensland's community benefit in that? Unfortunately, Victorian production is seasonal. So the reduced production from Queensland, which traditionally has been year round, will cause seasonal shortages. It will cause inconvenience and even more savage price hikes to the consumer. There is no benefit to the consumer in this example, just as there is no community benefit in most others—and that was supposed to be the whole purpose of this ghastly exercise.

The absurdity of the free market theory can be demonstrated by the analogy with school football teams. Generally, competitions are structured and staged in weight ranges or age groups. No-one would suggest that an under 6 should play with an under 15, and I defy anyone to claim that there is not fierce competition within those grades. But Professor Hilmer in his simplistic free market theory and traders would suggest that to promote full competition those barriers should be removed. The next thing we will see will be the Caboolture under 10s running on against the Broncos.

Professor Hilmer and his tunnel vision followers have been dazzled by perceptions. Free trade sounds good. Regulated trade sounds bad. But if we redefined "free trade" as "unmanaged trade" and "regulated trade" as "managed", the perception is reversed. The economic rationalists cannot see that a degree of management in markets will always be needed to prevent bullyboy tactics of those who have total market dominance, because when that happens it is always the consumer who suffers. The

very person who was supposed to be advantaged by National Competition Policy actually becomes the victim.

Much has been made of the cost to this State if we were to withdraw. Sure, there is a considerable amount of blackmail money that the Commonwealth may seek to withhold, but what value do we place on jobs, on human dignity and, in extreme cases, on human life? At this point we should acknowledge that there are those, especially in the bush and especially from farming communities, who have been so ravaged that they have, in fact, taken their lives. There has been an alarming increase in the number of dysfunctional families and the incidence of depression and even suicide. A large percentage of this social malady has been evident in rural and regional communities, and the blame can be laid directly at the feet of National Competition Policy.

Information from the Department of Health and Aged Care supplied by the Australian Bureau of Statistics states that there were 2,683 suicides recorded in 1998. Male suicides continue to outnumber female suicides by four to one, and males in rural areas have a consistently higher rate of suicide than their urban counterparts. Most of those afflicted are young people, particularly young males who previously had so much to live for, so much enthusiasm and bucket loads of that great, indomitable Queensland spirit. Those people have seen the careers and lifestyles that they loved destroyed before their very eyes. They were never afraid of hard work. They were never afraid of adversity. In fact, they relished the challenges thrown at them by the robust nature of their chosen field. The one thing they are afraid of is being dependent on the welfare system and dependent on the charity of others, and that is what National Competition Policy has done to them.

For this disruption, waste and destruction of human life, combined with further fracturing of the traditional family unit and the blow-out in welfare payments, the Commonwealth offers us some blackmail money. In competition payments for 1997-98 we received \$40m, which was repeated in 1998-99. For 1999-2000 the ransom is set at \$81.4m, while for 2000-01 we will be blackmailed to the tune of \$122.1m.

**Dr Kingston:** How much has primary industries lost?

**Mr FELDMAN:** Yes, how much have we lost through that industry? How much have we lost through farms that have been shut down?

This is not a bucket of money which has appeared as if by magic. The money is not the product of National Competition Policy; the money is simply an allocation from Commonwealth funds. Commonwealth funds belong to the people of Australia and should be distributed equitably. The people of Queensland have a degree of ownership of those funds. The people of Queensland are entitled to their normal per capita distribution of funds from the Commonwealth, whether we embrace the idiocy of NCP or not. Are we prepared to sell out our constituents by embracing the evils of National Competition Policy? Are we prepared to accept the bribes from the Commonwealth and ignore the wellbeing of rural and regional Queenslanders? What will we receive anyway?

The enormous administrative burden involving the inane application of competition reform tests applied to everything from parking laws to purchasing a few pots of paint have already saddled State and local government departments with enormous expense. Add to that the cost of welfare payments and the loss of productivity from the only truly productive sector of our economy and it is quite obvious that the bribe money has all been dissipated. Is the result increased efficiency? Is the result consumer benefit? No, it definitely is not. The only result has been the destruction of rural and regional Queensland.

An article in the Australian by Gerard McManus entitled "The Evolution of Political Parties" states—

"The history of federal political parties in Australia revolves around two themes still present in politics today—protection vs free trade and Labor vs anti-Labor."

That philosophy is reflected in the Prime Ministers who have been and gone: Edmund Barton, protectionist; Alfred Deakin, protectionist; John Christian Watson, protectionist; George Houston Reid, free trade; Andrew Fisher, protectionist; and the list goes on. We see how it has evolved between free trade and protection since 1901. Our best times have always been in times of protection.

I heard the member for Maryborough ask, "What will we lose?" I have already highlighted what we will lose. What will we gain? We will gain a State that stands up. We will gain a State that has had the backbone to actually deny the Commonwealth its bullyboy powers. The domino effect will start and this State will again be the once great State it was. I cannot see the Commonwealth not bowing to some of the demands of Queensland when most of the wealth that it splashes around comes from this State. That is what we will gain: a State with backbone and a State to be proud of.

National Competition Policy is a scandalous misuse of power by the Commonwealth. It is a disgrace that it is prepared to use funds which are rightfully ours in the first place to blackmail us into accepting its flawed and simplistic theories embodied in the dogma of economic rationalism. Blackmail

is a capital offence for which an offender should receive a term in jail. And here we have the Commonwealth Government prepared to blackmail our States! We have even heard the Treasurer get up and tell us how he was blackmailed into signing Queensland into the GST. We have been signed into jail numerous times before. Let us resist the blackmail attempts. For the sake of a few pieces of silver, let us show that this Parliament is prepared to put people before profit. Let us send a message to fellow Australians that this Parliament, the Parliament of Queensland, places Queenslanders ahead of international big business.

This Parliament is elected by the people of Queensland to stand up for the rights of Queenslanders and to make decisions in the best interests of Queenslanders. Each and every one of us has an obligation to ensure that our decision making is measured by the needs of our constituents. We are not here to give force to the fanciful dreams of economic theorists, nor are we here to do the bidding of the Federal bureaucrats who have swallowed the economic rationalist hype and are now seeking to blackmail us into accepting a product of their whims and daydreams.

We are here to make decisions in the interests of the displaced regional workers and the regional small business operators who have been bankrupted and continue to be bankrupted by this evil policy. We are here to protect the interests of all those battling Queensland families who rely on us not so much to protect them but to ensure that at least they get a fair go. The only way they will get a fair go is by ensuring that the monopolies, the cartels and the oligopolies are not allowed to take advantage or even encouraged to do so, as they are in the current circumstances by legislation such as National Competition Policy legislation.

I call on all members of this House and everyone who has spoken against what is inherently evil in this policy to ignore the rantings of the "profit before people" brigade. The old adage, "every man for himself and God help the rest"—what the elephant said as he tap danced among the chickens—adequately describes the attitudes of these soulless bean counters. I call on all members of this House to find the courage to support the people of this State who supported them and vote to adopt the Competition Policy Reform (Queensland) Repeal Bill.

The Treasurer is trying to use some very manipulative political speak to try to point the finger of blame at me for the destruction of Queensland industry. It almost makes me keel over with laughter. The City Country Alliance did not make these laws. We did not and have not embraced globalisation. We have not sold our souls and the souls of the people we represent to international influence. I am sure that the major parties in this country could not say the same thing in truth or with a clear conscience. If for one second the Treasurer believes that his Government is protecting industry, I would hate to see what they call destroying industry. The Treasurer ranted and raved with excuse after excuse and finger pointing and rhetoric, yet his own organisation is a party to the dangerous and disgraceful trade-offs to Mr and Mrs Average, for Mr and Mrs Big Banker, Big Business and Big Donor and for Mr and Mrs Overseas Interest.

Unfortunately, the coalition was perhaps no better. The Government and the coalition were like two sides of the same coin when it came to the crunch. All State Governments are overrunning with excuses as to why we can or cannot do things because the Commonwealth Government this and the Commonwealth Government that. It is time for us to grow up and realise that we have been elected by Queensland to represent the interests of Queenslanders. They obviously do not know what the interests of some Queenslanders are, or is this just another example of the adept excellence at arrogance and ignorance?

It is successive Labor and coalition Governments that have allowed and aided the continual erosion of the powers of the State. Blaming others for inaction is not an acceptable excuse. I am sure I speak on behalf of many Queenslanders, especially those who exist in the industries affected and damaged by National Competition Policy, when I say that excuses are not good enough. The people have been fed so much rubbish over the years that all the major parties are beginning not to work any more. It is only a matter of time until all the political propaganda and posturing in the world will not stop the people from holding them accountable.

**Mr Knuth:** No wonder north Queensland wants to separate.

**Mr FELDMAN:** Yes, it is no wonder north Queensland wants to separate and become its own State. I am sure that there would be many members of this House who would probably want to emigrate to north Queensland should it become a State in its own right. I am sure there would be many members of this House, especially members on this side, who would agree with the sentiment expressed by the member for Burdekin.

**Honourable members** interjected.

**Mr FELDMAN:** That is right. I saw the statements of the member for Townsville in one of the papers.

**Mr DEPUTY SPEAKER** (Mr Reeves): Order! I am having enough difficulty understanding this speech. I ask the Chamber to allow the speaker to continue.

**Mr FELDMAN:** Thank you, Mr Deputy Speaker. I was going to comment on a statement made by the member for Townsville some years ago about seceding. It is very interesting. I find it interesting to hear the Treasurer's comments about the dispassionate operation of the free trade market and the level playing field he thinks his Government is protecting Queensland industry from. Again, that is a turnaround in the truth. I have no hesitation in saying that none of the major political organisations has shown real evidence of a fight against the free market and the level playing field to which the Treasurer refers.

If anything, Labor and Liberal have shown that they support this utopian economic rationalist agenda of the level playing field and the free common market for the world. In no way does the Treasurer have any reason to mention his Government's action in protecting rural industries from the dispassionate operation of the free market. His Government promotes it and indeed sends honest, hardworking people broke in the process. Honest, hardworking people go about their business for years with certain expectations and certain unwritten boundaries to their livelihoods. Then one day some arrogant Government decides to change the rules and starts preaching at them about environmental decay, international agreements, Commonwealth bean counters and economic experts recommending better, more efficient ways of doing things—and, bang: suddenly Mr Honest Hardworking Queenslander finds himself struggling to survive in an industry that had survived for a long time before all the social experts decided to run his life for him.

Labor's response to National Competition Policy is just like its response to the GST: just do nothing. After all, it will be riding the one-horse Government sooner or later. Both NCP and GST were first introduced by the Labor Party to begin with, hence its reason for inaction. Both NCP and GST were touted by the biggest economic rationalist this country has ever seen and indeed ever had—Paul Keating. One would say that Keating has "out-liberalled" the Liberals.

I ask the Treasurer what industries he considers himself and his party to be protecting with competition policy. National Competition Policy certainly did not protect any industry that I can think of or that I have seen in the past few years. And what good is it anyway? It represents more excuses for the weaknesses and the inability of a Government to do what it is really paid to do.

The Treasurer makes fun of our fight for fair trade, not free trade. The Government mocks our calls for fair trade, not free trade. The coalition does not support that call either, yet fair trade is not free trade. That has been our message since our inception. It is a fair conclusion, then, to say that they also mock and ridicule those who spoke out about free trade.

The City Country Alliance did not introduce this Bill to create hardship, to hurt anybody, to connivingly destroy people's lives or any of the actions referred to by the Honourable the Treasurer. We introduced this Bill because of the devastating effect National Competition Policy is having in our communities and our State. We introduced this Bill to represent our electorates and those who have supported us and our cause and have stood behind us. We introduced this Bill in the interests of the whole of Queensland, to aid in the fight against the economic madness that is in our nation. We introduced this Bill because, quite obviously, unlike others, we put people first rather than politics or power.

As I have said, just about every election since Federation has been fought on the protection versus free trade issue. It is unfortunate that this is how long the dogma of free trade has been around. The offering in the Australian newspaper that I spoke about earlier is just a sad indictment of how the Labor Party has changed over the years. I guess declining union membership and substantial donations from large multinational companies to Labor Party coffers have caused a paradigm shift, and hence we see the conflict of the schizophrenic attitude of our Treasurer.

I will comment briefly on some of the comments of the members for Gregory, Toowoomba North and Southport.

**Mr Seeney:** What about me?

**Mr FELDMAN:** And, I must admit, Mr Seeney. Indeed, there were some excellent contributions. I wondered whether they were hiding what was actually written into National Party policy, which I have a copy of here. I am led to believe that the web site was even updated on 17 May this year, while this debate was going on. It is sad to think—

**Mr BORBIDGE:** Mr Deputy Speaker, I rise to a point of order. The honourable member is misleading the House. He knows full well that the National Party attitude in respect of NCP is—

**Mr DEPUTY SPEAKER** (Mr Reeves): There is no point of order. Resume your seat.

**Mr BORBIDGE:** The member's lies will not carry weight.

**Mr DEPUTY SPEAKER:** Order! You will withdraw that remark.

**Mr BORBIDGE:** I will withdraw that remark, but I will just reaffirm that—

**Mr DEPUTY SPEAKER:** Resume your seat. This is not a debate.

**Mr BORBIDGE:**—it is a stated position—

**Mr SPEAKER:** Order! Resume your seat!

**Mr BORBIDGE:**—that this matter is under review at this year's National Party conference.

**Mr DEPUTY SPEAKER:** Order! I warn the Leader of the Opposition.

**Mr FELDMAN:** I know that the attitude has changed, and I am pleased to see that change in attitude. I will be even more pleased when I see it changed in the policy documents of the National Party. I know that most of the honourable members on this side of the House have anti-NCP feeling. I know that because that is the sentiment of all of their speeches. I commend the Bill to the House.

Time expired.

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