



Speech by

Mr T. MALONE

MEMBER FOR MIRANI

Hansard 31 May 2000

COMPETITION POLICY REFORM [QUEENSLAND] BILL

Mr MALONE (Mirani—NPA) (9.12 p.m.): I take great pleasure in making a contribution to the Competition Policy Reform (Queensland) Repeal Bill. One would have to wonder about the direction of National Competition Policy in relation to the industries I represent, that is, the sugar and dairy industries. Our rural industries seem to be bearing the brunt of some reform program that has been dreamt up in Canberra and passed on to regional communities.

I ask members to consider the coastal region of Queensland, from a little north of the Sunshine Coast all the way up to Mossman. If it were not for primary industries, particularly the sugar industry, that area of Queensland would be virtually unproductive. The sugar industry is a \$2 billion industry that has to compete with the rest of the world. It is mostly an export industry. Earlier this week I spoke in this House about the sugar industry. I highlighted the problems that it is experiencing. On top of all of those problems, it is going through some massive deregulation, brought on not necessarily by National Competition Policy but certainly by the policies of the Labor Party.

Going back over a period of time, National Competition Policy has had a real impact on the direction of the sugar industry. It quite often amazes me that the primary industries of our country, and particularly Queensland, seem to be bearing the brunt of it. I can name quite a lot of other industries in Queensland and right across Australia that do not seem to be impacted upon at all—banking, taxis, lawyers and the Law Society, which seems to be a law unto itself, newsagencies and chemists. There is also a monopoly, particularly in our regional areas, by supermarkets. National Competition Policy really does make a mockery of decentralisation. It is having a real impact on the productive industries in Queensland.

It has been stated that the benefits of National Competition Policy would be about \$2.3 billion over 10 years. I question where that money comes from. Is it new money that is being generated? Is it money that is being circulated? I believe it is money that was due to flow to the State Government. I am sure that it is not new money. In terms of productivity there is only one way to produce new money, that is, through our export industries.

Where is all of this being driven from? It is a policy that was dreamt up in Canberra by Professor Fred Hilmer. It was a con job on all of the States. It was signed off on by the Labor Governments of Keating and Goss. Unfortunately, the policy gained a life of its own and kept running over a period of time. Under review, the sugar industry accepted that the National Competition Policy is alive and well. The sugar industry in Queensland had to give away quite a number of its bargaining points to ensure that it retained single desk selling, which has traditionally been against the thinking behind National Competition Policy. We gave away the run-down in tariffs and export parity pricing, which we were able to substantiate without National Competition Policy. It was certainly a real asset to the industry. The tariff we supposedly had on our industry was never regarded as a tariff as such. It was added on to the domestic price of sugar because that was the price at which it was sold to our refiners. The price at which they could import sugar to Australia was the price that we charged our refiners.

It is interesting—I gave the figures earlier this week—that up until only a couple of months ago we sold sugar to our refiners here in Queensland for \$A180 a tonne. About 12 months before that we were selling it at around \$A300 a tonne. In the period of about 12 months, the price that the raw sugar market sells to the refiners has been halved. I wonder whether members have noticed the price of

Coca-Cola or a bag of sugar in the supermarket reduce by any substantial amount. I can assure them that they have not, although the price of the raw sugar that goes into those commodities has actually halved.

We really do have a pretty level playing field. The National Competition Council has taken no interest in this at all. At the end of the day, these are the real dollars that the Australian sugar industry has to live with and try to support itself with while the export price is languishing around 5c a pound, which is probably 5c or 6c a pound below the cost of production.

The dairying industry was also accredited with National Competition Policy guidelines and was cleared of meeting the guidelines. The public benefit test was clearly substantiated, yet we are seeing with legislation that is currently before the House that, despite that, and certainly in spite of the issues before it, the industry will be deregulated and will suffer greatly from the fact that somewhere along the line National Competition Policy has allowed the deregulation of the industry in Victoria, the effects of which will spread to all other States. The unfortunate part about all that is that it seems that the State Government will receive some extra funding from National Competition Policy payments and, it appears, will not be contributing towards the infrastructure and the build-up that is required for those dairy farmers to exist post deregulation.

Obviously we have to compete on the world market. Third World countries pay a harvester driver \$400 a month; in Australia we pay \$800 a week. Yet we have to compete in the same markets. We see that other countries, particularly America and the EC, give tremendous support to their farmers because they understand that farmers are the backbone of decentralised areas. Particularly in Europe, as I understand it, farmers are regarded as the custodians of the land. I think we should take that on board in Queensland and Australia. Instead of our farmers having to earn an income off the land, maybe we should consider paying our farmers as custodians of the land. If I can get some support from the Government, we might move along those lines. Quite frankly, I think that we need to look at all avenues. Certainly, carbon credits would be an ideal opportunity for farmers to become involved in the energy industry and would ensure that, in the future, farmers are able to retain their position on the land and be a viable community unit. If that does not occur, we will see some of our smaller country towns disappear. Infrastructure right across Queensland will degenerate to the point where roads become unpassable and we do not have economic units in small country towns.

It amazes me that we seem to have a single-minded intent on attacking our primary industries and leaving other industries alone. I mentioned earlier the position with the legal industry, where lawyers are able to go out and virtually name their own price. There is also the supermarket industry, where large conglomerates offer the only shopping alternative in certain locations. I just wonder where this is going.

I intended to make just a few comments. I support the legislation.
