



Speech by

Mr TIM MULHERIN

MEMBER FOR MACKAY

Hansard 22 June 2000

**DAIRY INDUSTRY [IMPLEMENTATION OF NATIONAL ADJUSTMENT ARRANGEMENTS]
AMENDMENT BILL**

Mr MULHERIN (Mackay—ALP) (10.46 p.m.): I heard the Opposition Leader waffle on in a pious manner about the sanctity of this place and how dreadful it was for the Government to gag this debate, but the fact of the matter is that we wasted a day and a half while the member for Clayfield dominated debate on a training Bill that both sides of the Parliament supported.

Mr Lucas interjected.

Mr MULHERIN: I take the interjection from the member for Lytton.

Mr Hegarty: Well, why didn't you gag that one?

Mr MULHERIN: Why couldn't the member for Redlands control the member for Clayfield?

I support this Bill. The Queensland Government does not support dairy deregulation, but deregulation in Victoria is forcing all States, including Queensland, to accept it. The State Government is being forced to deregulate the Queensland dairy industry to ensure that local farmers get access to the \$1.78 billion national dairy restructure package in the wake of deregulation in Victoria.

Like all Queensland dairy farmers, the Government wants to keep dairy regulation in Queensland. In fact, the Government introduced legislation to do just that in November 1998. The Minister for Primary Industries fought against deregulation and tried to encourage Victoria to shelve its deregulation plans. But Victoria is pushing ahead. When Victoria deregulates, dairy regulation will not work and, indeed, it will deny Queensland farmers access to the restructure package that they will need.

If there was a way to keep regulation once Victoria deregulated its massive industry, we would do it and we would do it immediately. But it is not possible. The Government's priority is to ensure that dairy farmers access the restructure package to offset the impacts of the very low-priced Victorian milk unleashed onto national markets. To deny Queensland dairy farmers \$220m in assistance would be irresponsible.

National dairy deregulation is due to start on 1 July. All States must deregulate their respective dairy industries for the restructure package to be available. All States have given in-principle support to accept the Federal Government's national dairy deregulation plan. Members opposite have called on the State Government to pump in a \$98m pot of gold in national competition payments. The National Party has invented this mythical pot of gold that it claims the State Government has and argues that the pot of gold should be distributed to the farmers. There is no pot of gold for the State Government at the end of the deregulation rainbow.

This alleged \$98m in national competition payments does not exist. The magical \$98m is a myth. It is a flight of fancy. It is made up. It is a cruel joke being played by the National Party. The butt of the joke is the farmers. Only last night the Opposition moaned that the State Government had spent all the money. Now those opposite are saying that we should send the Budget into deficit and spend some more money.

The National Party claims that the Western Australian Government is allocating \$35m to assist the industry in Western Australia. As everybody knows, the Government in Western Australia is on the

nose. It is under siege and is facing a huge electoral defeat and is pathetically trying to buy a few votes. Farmers deserve better from the party that purports to represent them.

There are only two explanations for the National Party's constant harping on the non-existent \$98m—either those opposite are incompetent or they are dishonest. Perhaps they are incompetent, because the National Party is unable to understand Commonwealth/State financial relations. Members of the National Party do not understand that the National Competition Council's threat to take \$98m from Queensland if it does not deregulate does not mean that Queensland will get \$98m if it does deregulate. That is fallacious logic.

Perhaps the National Party has invented the \$98m to cover up for its shameful failure to assist the Minister for Primary Industries when he secured from the Federal Government an additional \$12m for rural communities affected by deregulation. Honourable members will remember that the National Party in Queensland has done absolutely nothing by way of gaining support from their Federal colleagues. It took a Labor Government to do that. Whether it is because they are incompetent or because they are dishonest, the Nationals have deceived farmers over the \$98m. It does not exist. The only way of finding \$98m is to divert it away from the Government's normal Budget expenditure. That would mean taking money away from teachers, nurses and police, because that is what the Budget is used for.

I would not support Queensland taxpayers paying twice for dairy structural adjustment—once through the Federal Government's tax on milk and a second time through the Budget. I note that the Federal Government is not spending any of its normal Budget expenditure on dairy; instead it is raising a special tax to do so. After all, this is the largest structural adjustment package for any industry ever in the history of Australia. \$220m is a very large sum of money—about \$130,000 for every farmer. This is the amount of money asked for by the industry and agreed to by the Federal Government. While the State is obviously using existing schemes to support farmers, there is no case for additional taxpayer support to the dairy industry.

I would like to focus on what the State Government is doing to address the effects of the Victorian-inspired deregulation. A wide range of State Government programs will be available to the dairy industry and communities in addition to Queensland's \$232m share of a national dairy deregulation restructure package. The programs and initiatives across a range of State Government departments include on-farm support, business development grants, counselling, training and community assistance.

Importantly, we have established a Dairy Information Service to refer dairy farmers and others who are affected to the services available from Government as well as the community and the private sector. The Dairy Information Service can be contacted toll free on 13 25 23. In addition, the State Government will provide the secretariat to a Government/industry working group to monitor the impacts of dairy deregulation in Queensland and report back to the intergovernmental task force established by the Council of Australian Agriculture Ministers.

Queensland Government programs and initiatives include—

- an industry development scheme offering assistance of up to \$150,000 over three years for businesses to assist businesses to be globally competitive, develop export markets, attract investment, adopt new technology, develop innovative products and services, and develop environmental management plans;

- a program to assist regions to adjust to structural industry change by undertaking sector analysis and setting industry priorities and strategies as well as developing industry sector plans and clustering that support for existing and developing industries;

- services for small business, including offering advice on building and improving business, consultation with business advisers and seminars;

- access to business resource centres to provide specific tailored information on market research, industry benchmarks, industry trends, demographics, needs assessment and access to industry-specific information;

- 15 DPI farm financial counsellors across the State to help farmers assess their options and strategies for adjustment and to help farmers access the restructure package and other programs as well as negotiations with financial institutions and referral to commercial providers and welfare services;

- DPI dairy extension officers based around the State offering on-farm advice;

- FarmBis grants of up to \$4,000 to farm families and operators to help them access professional business advice for farm-related business planning;

- a range of services for dairy farmers to provide good quality information and to develop business management skills of dairy farmers with group workshops and one-to-one assistance,

computer training and the Queensland dairy accounting scheme program, which analyses the physical and financial aspects of dairy farm performance;

access to assistance under the Primary Industry Productivity Enhancement Scheme, which is administered by the Queensland Rural Adjustment Authority, for farm build-up, rationalisation of partnerships, diversification into other on-farm activities and on-farm development;

a range of employment programs for re-skilling for growth industries, community activities for long-term unemployed, targeted assistance for retrenched workers;

a wide range of services for individuals, families and communities including counselling, support services, information and referral, parent education, improving family relationships and emergency relief; and

prioritised applications from local government authorities for subsidies and grant funding for infrastructure projects in affected communities.

These existing programs will be used by the Queensland Government to provide help to dairy farmers. The Department of Primary Industries has also made available a number of staff full time to assist in accessing the \$12m for dairy communities that Queensland secured earlier this year.

Recently, I visited the dairy farmers of Eungella, in the upper reaches of the Pioneer Valley. The Minister for Primary Industries came with me. There are 12 farmers at Eungella. They supply Pauls under long-term supply contracts. Their milk is processed at Mackay in a factory employing 26 workers. Those farmers have a high proportion of their production in market milk—around 70%—which means that with deregulation they will feel the effects.

The price paid for market milk is expected to drop from 58.9c a litre to around 44c a litre. The average return per litre for the Eungella farmers is expected to drop from 48c a litre to 37c a litre. Those farmers expressed concern about the uncertainty of even that price. They will be on contracts under which the price can change every three months. The farmers said to me that the restructure package will come in very handy for them. Some will use it to retire debt. Most will hang on and keep dairying, but will look for opportunities for diversification. Tourism offers such a chance. I am not sure whether many members have been up to Eungella, but let me assure them that it is a most beautiful and picturesque place. It would be ideal for farmstays and for day trips out of Mackay. Peter Woodland and his fellow farmers are creatively looking at these opportunities.

I want to make sure that the area consultative committee for the Mackay region looks at using some of the \$12m allocated to Queensland under the Dairy Regional Assistance Program to assist the Eungella farmers in developing tourist options for their area. This is a very difficult time for the dairy industry. With the money from the restructure package and through existing Government programs, I hope that dairy farmers such as those at Eungella will be able to weather this storm and continue producing good quality milk for Queensland. I commend this Bill to the House.
