



Speech by

**Tony ELLIOTT**

**MEMBER FOR CUNNINGHAM**

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Hansard 17 May 2000

**COMPETITION POLICY REFORM [QUEENSLAND] BILL**

**Mr ELLIOTT** (Cunningham—NPA) (9.52 p.m.): I would like to take up some of the remarks that my colleague from Southport has just made. Quite frankly, I have to agree with every word that he said. It is interesting—and he will remember this name well—Vince Birmingham would roll over in his grave if he was here to see what has happened to this dairy industry. In relation to the people down the south coast and my people up on the Darling Downs, many is the battle that is being waged in respect of the dairy industry and particularly over warm milk.

When I first came into this place in 1974 a number of people had no quota whatsoever in respect of the warm milk market. One of the things I said in my maiden speech was that I would fight to get a quota for those people who did not have one into that warm milk market. In particular, Quinalow was the factory that did not have a quota. Of course, we tried to get some equity into that system. History will show that the industry did do some equalisation in respect of trying to make sure that the have-nots got something and that some sort of equity was achieved for all dairy farmers in Queensland. Of course, there was always a tremendous amount of envy towards the direct suppliers, as they were called, who had a special market here in Queensland—right here in Brisbane—and supplied into the warm milk market. There were all sorts of things—and I will not bore people with the details—such as notional quotas. There were all sorts of different techniques developed to move milk around on paper so as to ensure that the dairy farmers were given a fair shake.

I tried by interjection to get my colleague to run off in respect of the Victorian situation under this National Competition Policy. That is where it all started. They were silly enough to go along with it, and we all saw exactly what the outcome was in respect of National Competition Policy in Victoria. My father always taught me that it was much easier to learn from other people's mistakes than to have to repeat the mistake yourself, learn the hard way and lose money yourself. Here we had a situation in Victoria where the poor old consumer got hit with a huge rise in the price of milk and, of course, what happened to the producer? As per usual, they got shafted and they got less for their milk. And who made the money? The people in the middle, in particular the chain stores—Woolworths, Coles or whoever.

I used to go to the QDO conference every year. I used to sit through the resolutions and listen to what was going on and get quite involved in it. I always had an argument, and I had a great supporter in this argument. She was the lady who used to work for the vendors—those people who used to sell milk door to door. Those people were tremendously important in the overall market as far as I was concerned. I used to say to Pat Rowley and to all of those people, "Don't let these people get eaten up by the system because the minute you lose those vendors—the people who are going door to door—you have lost the competition in respect of the chain stores. The minute they have got you, they will say to you, 'This is the price you are going to take. This is what you are going to have to pay to promote your milk. You will get so much shelf space.' They will dictate all of the terms to you." It amazed me that people could not see that. Anyway, in the end those people were paid out; they were compensated out of the industry. We basically allowed the big chain stores to predominate in respect of this whole market milk situation.

Then, as I said, in Victoria we had this example for everyone to see. Surely anyone with an ounce of commonsense could see that the whole thing was a disaster in Victoria. Why in hell's name would we follow? Why would the dairy industry be prepared to accept it? Why would our own people and, in particular, the people opposite, the Goss Government and the ALP Federal Government then sign off on National Competition Policy for us to continue down that road, which has brought about the situation that we now have, which is only months away from an absolute disaster?

What my colleague the honourable member for Southport says is, unfortunately, so true. Six months ago I thought that perhaps 20%, 15% or 10% of the dairy farmers might give it away. But, quite frankly, a number of people in my electorate have contacted me and shown me their figures and indicated that they cannot survive. A person may say, "Okay, maybe the really little ones who do not employ anyone can survive." The other day I spoke to a lady who is probably the smallest supplier I know. At the moment because she is so small and because she produces a specialist milk, she is actually getting about 80% into the warm milk market. When this thing comes to pass, she is going to be lucky to get 40%. She will probably get 38% or 40%. That will drop her price. With the debts she has, she will be lucky if she gets \$20,000 or \$30,000 from the compensation program. She will go to the wall. She has shown me the figures.

**Mr Veivers** interjected.

**Mr ELLIOTT:** It snowballs; that is right. If a farmer thinks that, because he has 100 cows he is going to do okay, I have news for him. It is not going to be like that at all. Regrettably, the news is all bad. I do not know why on earth we cannot see this. Not only are we seeing what is happening, but the writing is on the wall. I attended a function the other day where someone from Treasury went through National Competition Policy. At the end of the discussion on National Competition Policy, this gentleman related what was happening in the dairy industry. He admitted to us that the consumer would pay more, the producer would get less and the middleman would put up his margins. Everyone said, "Jeez, why the hell do we have National Competition Policy?"

**Mr Veivers:** And who's going to protect the producer?

**Mr ELLIOTT:** Absolutely no-one is going to be there to protect them. They are all going to follow like lemmings over the cliff. I find it absolutely amazing that we do not have the ability in this political system to say, "Hang on. This is a national disaster." The end result is going to be the decimation of large numbers of small towns and communities. In my time I have seen the number of dairy farmers fall from almost 6,000 to about 4,000. It just keeps spiralling down.

**Mr Reynolds:** What is John Anderson doing about it?

**Mr ELLIOTT:** John Anderson is an interesting case. Exactly what is John Anderson doing about it? Sometimes I talk to John Anderson and I think I get through to him. I think he is quite an intelligent bloke. But, regrettably, he listens too much to ABARE. He listens to them.

**Mr Roberts:** What about the Queensland Liberals?

**Mr ELLIOTT:** They are worse, I have to say. At least Anderson has some dirt under his fingernails.

**An honourable member** interjected.

**Mr ELLIOTT:** The Liberals, unfortunately, are as dry as wood. They are the driest of the dry. They just do not seem to care. We saw what happened in Victoria. We saw what the Liberals did there.

**An honourable member** interjected.

**Mr ELLIOTT:** They are here. They can speak for themselves. I am speaking for my constituency. I am interested in what is going to happen to my area. I have fought for 26 years to try to support the dairy industry. Years ago people said to me that the dairy industry was ruined and that it was hopeless. "We'll all be roon'd", said Hanrahan.

I used to say, "Don't despair. The dairy industry is probably the strongest and best industry around. It is the one industry that has a cash flow every month. It is the one industry where, if you look after your productivity and you look after your AI program and you do your computerised programs and you work like hell on your herd and do herd recording and all that stuff, you will do well." They all looked at me like I had two heads when I said that in 1978. In actual fact, they did do well. Those people who hung in there in the dairy industry by and large did very well. I am not saying that they made millions of dollars, although some of the big guys made a lot of money, but they did well. They were the pillars of the community. They were the supporters of everything. They have done well.

I cannot believe that the Federal Government, the Federal Opposition and the Queensland Government are not prepared to stand up and be counted to do something with regard to this situation. Time and again, I have seen Governments go against the wishes of industry. Regrettably, this time the Government is hanging up its hat and saying, "This is what the dairy industry say they want to do, so we're going to accommodate them." Unfortunately, it appears to me that there are sections of the dairy industry that have a vested interest in going down this road, because they are quite happy to be compensated. They are quite happy to get out. If we sit down and scratch the surface individually case by case, we will find that at least 80% of them are going to be worse off. Why in hell did they go down this road? Who talked them into it and why are they doing it? It is one of the more amazing things I have ever seen happen in this place.

**Mr Cooper:** The Victorians started it.

**Mr ELLIOTT:** Exactly. The mad Victorians started it. Then what happened? We saw changes in the factories. The producers in northern New South Wales who supplied Norco were frozen out of the Sydney market because southern producers entered the market, as did the Victorians. They got frozen

out. They said, "Hang on. What are we going to do?" So they shoved their milk into the Queensland market and took the market away from our own people here. That is just a disaster to me.

People can call me an agrarian socialist. Lots of people get great delight in calling National Party people agrarian socialists. I do not mind being called that, because I was very involved in the dairy marginal scheme. We tried to get funds to people so the older people on the farm could retire into town or on a block on the farm and give the younger people on the farm the chance to take on that dairy farm, build it up, buy out the neighbour and build that farm up and make it viable. A man by the name of Herb Parker in the rural reconstruction operation was responsible for most of that. He was spot on. These days there are people still there who were involved in that scheme, and it worked. It was one of the few schemes the Government put together that really did work.

There have been examples in the past. Precedents have been set. Why in hell's name we did not put the sort of money that is going in today with this 11c levy I will never know. If that sort of money had been put towards making those who wanted to stay in the industry more efficient, more viable and kept the price structure the way we had it with the State-run operation, it all would have worked. People would have been able to make a living. Queensland does not have the dearest milk by any means. It is not as though, when looking at prices around the world, Queensland has the dearest milk. That is rubbish. It basically has pretty cheap milk. No-one ever said it was bad value. It is always a very good yardstick to look at whether people buy a product or not. We had a good quality milk product with no health problems or health scares related to it. We had a milk product that people bought. I agree with what the member for Southport said in his speech on the debate. I congratulate him on it.

**Mr Cooper:** One of the better speeches he has made.

**Mr ELLIOTT:** Yes. It was one of the better speeches I have heard him make, too. The other issue I want to touch on is the zonal system of quarantining councils from National Competition Policy. We are the envy of other States in that we were able to put that system together in Queensland. Councils in far-flung areas are able to get away from the tendering system and utilise their plant. Otherwise, tell me how some of these small shires could possibly keep a plant going and look after their own local roads? No-one wants to tender for a road where there is five yards of bitumen to be fixed or a kilometre to do here or a kilometre to do there or a little cutting to be done. No-one is interested.

The big guys in the city are not going to go to the bush and do that work. There needs to be a labour force, gear and a support base of small contractors in the small towns who have the tip trucks, graders and other equipment in order to do a damned good job. Time and time again we see so-called big boys—half of whom have never built a road in their lives—pull in an engineer from somewhere and away they go and build a road. Look what happened at Blacksoil. That was the biggest disaster I have ever seen. They had about six goes at rebuilding that road. It kept sinking. It kept cracking. Why? Because the people who built it did not know what they were doing.

**Mr Cooper:** No local knowledge.

**Mr ELLIOTT:** Exactly. The member for Crows Nest is spot on. That is the difference. Those out in the bush had the practical knowledge. They knew what was needed. They knew where the drainage was and where the problems were. They knew their soils. They knew the areas that would be a problem. They were able to address those problems and make roads that lasted. That is in comparison with those people who come in from outside.

To do away with the zonal system, which allows quarantining of shires, would be a disaster of monumental proportions. It is absolutely essential that we fight to maintain it. I urge Cabinet Ministers who currently have responsibility to consider this issue. I urge people on this side of the House to consider it also, as we have a fair chance of getting back into Government at the next election, in light of the way Labor members are performing, with fisticuffs and so on. I would say that Labor has every chance of being beaten at the next election. It is very important that we all realise the importance of this whole process.

Other areas are affected by National Competition Policy. We can see it wherever we look. We do not have to look only to the bush or to the dairy industry. Pharmacies and newsagents appear to have held National Competition Policy at bay for the moment, but people in any kind of small business have to say, "There but for the grace of God go I." Next thing they know, National Competition Policy will be attacking their industries. It knocks off one industry after another.

The big guys who operate multinational corporation operations in this State will not be satisfied until they have the total trade. To see this we only have to look at how they carry on about Sunday trading and at the way they are trying to extend our trading hours. It is all tied into the same agenda. They will not be happy until they control 96% or 97% of all operations. If they were in America, the anti-trust laws would wrap them up and stop them stone dead. We need anti-trust laws to stop some of these multinational corporations. They do not give a damn about us. They do not give a damn about my constituents. All they care about is the profit on the bottom line. They do not have a social conscience in the way small businesspeople do. They are not going to give donations to each and every little group—for the local shows, the local rodeos, the local football club and so on—in the way that local businesses do.

I urge members to think long and hard about this matter. Every time they get an opportunity to do something about it, they should. Members of the National Party have to be brave. We have to dare to be different. It is up to us. When it comes down to it, no-one else will fight for people in the bush, in rural areas or in the towns and provincial cities, where it really counts. The National Party is it, and it has to stand up and be counted.

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