



Speech by

Hon. HENRY PALASZCZUK

MEMBER FOR INALA

Hansard 13 December 2001

MINISTERIAL STATEMENT

Dairy Industry

Hon. H. PALASZCZUK (Inala—ALP) (Minister for Primary Industries and Rural Communities) (10.08 a.m.), by leave: The national dairy industry deregulation of almost 18 months ago has had a severe impact on the milk sector, particularly in Queensland, New South Wales and Western Australia. As I reported to the House yesterday, the Department of Primary Industries is forecasting a slight improvement in the gross value of milk production in Queensland over the course of this financial year. That forecast improvement is slight at approximately two per cent, but it is very significant. It marks a turning point in the outlook for the dairy sector.

The Queensland government maintained a very strong stand on national deregulation. The Queensland government would not have deregulated unless each and every Australian jurisdiction had done the same. In a federation, Queensland could not stand alone. So the Queensland government has been keen to ensure that dairy farmers and dairy dependent communities received proper assistance in the wake of the federal government's national dairy deregulation plan.

As minister I took up the Queensland government's argument for regional dairy community assistance, which became the \$45 million Dairy Regional Assistance Program. As minister I used interim findings of the Dairy Deregulation Support Advisory Group to argue for additional dairy assistance at the meeting of Agriculture Ministers earlier this year. We were successful in securing an additional \$159 million in assistance measures for the dairy industry, which included \$119 million in basic market milk payments to dairy farmers who were heavily dependent on market milk production and \$20 million for an expansion of DRAP. However, some remaining issues require further attention.

I have continued to raise the need for the federal government to reform the operation of the dairy exit program and DRAP. These are issues that the Howard government must consider. I have indicated that I will continue to pursue these matters with federal Agriculture Minister Warren Truss in the interests of Queensland producers. As minister I will continue to work with industry.

The government has addressed or is in the process of addressing the recommendations of the Dairy Deregulation Support Advisory Group report. I can announce today that the Department of Primary Industries, in association with the dairy industry, will be establishing a Queensland Dairy Futuring Committee. This committee will facilitate the development of leadership, direction and advice for the dairy industry. The dairy industry is turning the corner after the severe impacts of the national dairy deregulation. The Queensland government is committed to work with industry to ensure it is well positioned for future development. I table for the benefit of all honourable members the report of the Dairy Deregulation Support Advisory Group on the deregulation of the Queensland dairy industry.