




Speech By
Dale Last

MEMBER FOR BURDEKIN

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SUSTAINABLE QUEENSLAND DAIRY PRODUCTION (FAIR MILK PRICE LOGOS) BILL

 **Mr LAST** (Burdekin—LNP) (8.05 pm): I rise to speak to the Sustainable Queensland Dairy Production (Fair Milk Price Logos) Bill 2016. Let me say at the outset that the LNP will be opposing this bill. The LNP will be opposing this bill not because we do not support the dairy industry in Queensland—far from it—but because this bill is impractical, ill conceived and nothing short of a stunt by the Katter's Australian Party which will do nothing more than give our hardworking dairy farmers false hope. It is worth noting—and it does not happen very often—that the bill was rejected by the Agriculture and Environment Committee, who unanimously agreed that the bill should not be passed. That decision reinforces the fact that this bill is fundamentally flawed.

There is no question that the dairy industry in Queensland is doing it tough through a combination of market pressures, unsustainable returns, natural disasters and the ongoing price war between the major supermarkets who persist in selling milk for \$1 per litre. The last thing the dairy industry in Queensland needs right now is more red tape and bureaucracy because if there is a single message coming out of all this it is simply: do not impose more regulation on the industry. This attempt by the Katter's Australian Party to reregulate the dairy industry will potentially breach ACCC fair trade regulations and return the dairy industry to the pre-2000 days of regulation.

This bill seeks to establish eligibility criteria and legal protection for voluntary fair milk price logos on milk containers. Logos would be designed to inform consumers of the region where the milk was produced and that the dairy farmer who produced the milk received a minimum price for the milk. I note that the price for the milk would be calculated using the Queensland government's Queensland Dairy Accounting Scheme and decided by the relevant minister.

As members of parliament, we are entrusted by the community to introduce legislation that has been well researched, practical and lawful, and will address an identified need or shortcoming. We should not be introducing legislation into this place for the sake of introducing legislation or to address a need that can be met on a voluntary basis or is the domain of another jurisdiction.

There is merit in the concept of a fair price logo and I am not disputing that, but it should be on a voluntary basis and left to industry to implement. We do not need to legislate logos on milk containers. The industry is more than capable of undertaking this task, and I fully support this initiative to give consumers information about local content. This practice is already in place in some areas of Queensland where dairy farmers have developed niche markets. What this bill will do if passed today is impose a regulation on those processors who have used their initiative to develop logos promoting their product.

One of the fundamental flaws in this bill is the attempt to reregulate the price of milk. Queensland does not produce enough milk for local consumption, with approximately 30 per cent of our milk freighted in from the southern states. Our current annual production is 405 million litres—some 180 million litres below annual demand. Our large processors such as Parmalat and Dairy Farmers

regularly truck milk from interstate which is mixed with locally produced milk for bottling, and therein lies a significant problem. The bill requires that a fair milk price logo identifies the region in which the milk was produced. If the milk is trucked to Brisbane and mixed at a large processing facility such as Parmalat, it will make it impossible to identify the area from which the milk came.

Any regulation to segregate Queensland milk would add substantially to the costs of large processors and risk operations. Queensland dairy farmers are currently paid more for their milk than their southern counterparts which also needs to be taken into consideration. QDO Vice President, Ross McInnes, acknowledges the branded milk pricing consumer dilemma when he says, 'When the price of branded milk rises consumers go back to \$1/litre milk.'

Let me repeat my earlier statement that labelling for local content and fair price paid can be done by industry on a voluntary basis with smaller processors already adopting this practice. I use the example of Cooloola Milk at Gympie which has successfully established a niche market in that area.

Mr Krause interjected.

Mr LAST: I take the interjection from the member for Beaudesert: the Scenic Rim has also developed that market using its own logo. Of more concern to me at the present time is the decision by the Palaszczuk Labor government to award a tender to Parmalat for the supply of milk to hospitals within the Cairns and Hinterland Health and Hospital Service district. The Premier should come into this place and explain how Labor's buy Queensland first policy applies to her government's decision to dump Atherton Tableland produced milk for Cairns and other FNQ hospitals and hand contracts to a factory more than 1,600 kilometres away.

What this decision has done is jeopardise the local dairy industry centred on the Malanda milk factory. Two weeks ago the Premier announced her government will give local suppliers within a radius of 125 kilometres of where goods and workers are needed a 30 per cent weighting in awarding contracts. Does that mean the Malanda milk factory and its local dairy farmers will get the supply contract because Parmalat's main factory is more than 1,600 kilometres away in Brisbane? It is a simple question the Premier and the health minister need to answer. I know the member for Surfers Paradise raised this issue during budget estimates with the health minister, and we are still waiting on a response, as are the 40 dairy farmers on the Atherton Tablelands who supply the Malanda milk factory.

I have been in contact with the federal department of agriculture and there are no plans afoot to establish a sustainable gross margin for producing milk that can be uniformly applied across Australia.

Mr Knuth interjected.

Mr DEPUTY SPEAKER (Mr Elmes): Order! Member for Dalrymple, you have had a really good go. The member for Burdekin is not taking your interjections so it might be time to be a little quieter.

Mr LAST: Thank you, Mr Deputy Speaker. The attempt to establish a sustainable gross margin potentially places at risk the entire dairy industry in Queensland with major processors likely to import even more milk sourced at cheaper prices from the southern states.

This reaffirms my position that any attempt to establish a sustainable gross margin for producing milk needs to be nationally driven and applied. The LNP is committed to working with the federal government to ensure our dairy farmers receive a fair price for their milk and that the industry is supported with appropriate growth strategies in place. The marketing practices of national companies such as Coles and Woolworths should be the primary focus of attention with a view to putting a stop to this ridiculous \$1-a-litre price war.

In response to a comment made by the member for Dalrymple, I can say that I have contacted Coles and Woolworths regarding this price war and received a positive response from one of those companies that they would investigate ceasing that ridiculous practice of discounting the price of milk. There is some light at the end of the tunnel, but it needs to be driven at the federal level through trade practices having regard to what they are doing in the market.

I would like to see a return to the days when Queensland dairy farmers could supply enough milk to meet the demands of this state, and the LNP is committed to working with our dairy farmers to put in place a strategy to achieve this goal. I am pleased tonight to hear the minister announce that \$1 million will be committed by the government to assist the industry. That is exactly where the money should go: back to the industry which is best suited and best placed to utilise that money to develop logos and local markets. That certainly mirrors the course of action that the LNP was taking. What I do not want to do is implement legislation that will impose obstacles and more red tape for our dairy farmers. Our job should be to facilitate growth in the industry and provide a vision that will see our dairy industry grow and prosper. Unfortunately, this bill before the House falls a long way short of meeting that requirement.