




Speech By
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MEMBER FOR MOUNT ISA

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SUSTAINABLE QUEENSLAND DAIRY PRODUCTION (FAIR MILK PRICE LOGOS) BILL

 **Mr KATTER** (Mount Isa—KAP) (8.58 pm): I will start my contribution by reading the chair's foreword to the committee report. It states—

It is difficult to escape the fact that dairy farmers in Australia, and particularly in Queensland, are labouring under tremendous economic pressures. Certainly, anyone sitting through the hearings conducted by the committee would be plainly aware that there are significant power imbalances affecting the functioning of the dairy market.

That is an excellent statement and a good summary to start off with. Everyone acknowledges that there are enormous pressures on this industry. Everyone seems to have a great deal of sympathy for that. The big question is: what do you do with that sympathy and how do you convert that into action that will have some meaningful outcome for these people who are desperate for some help and looking to us for help? The committee report continues—

... 'fair' price determinations for milk farm gate prices, as the Bill proposes. That role of government ceased with deregulation of the dairy industry back in 2000.

Be that as it may, that is an observation, but we are policymakers. We need to acknowledge that, despite what happened with decisions of the past, it is in a diabolical state now and the number of dairy farmers left is diminishing. I do not know the dairy industry. I did not grow up in it and I do not know it intimately, but I know that when I drive around dairy regions such as Gympie and the Atherton Tablelands I do not see any new cattleyards and I do not see a newly built big shed with the new Toyota in it. They are all run down. The parents of a very good friend of mine sold up years ago because they just could not make money out of it at Nanango. I see an industry in decline everywhere. If I was the son of dairy farmers trying to buy out that farm, I could not see the bank lending me the money. I think it would almost be foolish to borrow the money from the bank to buy a business in a market that is declining, so I see an industry with no future

As policymakers we have to ask: does this industry have a future? Do we want fresh milk? Do we want farmers on the Atherton Tablelands, Ipswich and Gympie? Given the trend, if we do not do something they are not going to be there. At some point we have to decide that the government needs to intervene and do something. We have tried to do something practical here and be as discrete as possible because everyone finds government intervention abhorrent these days. People say, 'There's got to be a free market and we can't touch any of it. Let the market prevail.' At some point we have to challenge these policies. We do not have to go right to the other end of the spectrum, but perhaps in some cases we have to do something.

Sometimes we cannot just go back to farmers and say, 'You sort it out yourselves. Why don't you just do a little scheme and we'll try and pat you on the back as you do it?' No, we have to be more proactive than that. I would say that, given these circumstances, we have to be a hell of a lot more proactive than that. We should not just be trying to encourage people and be really careful because we do not want to interfere too much. Small milk processors are doing their own boutique thing right now.

Everyone has said that tonight, but it is not working. The industry is still declining, so it is not enough. That is why the QDO unequivocally said in the hearings, 'That is not enough. We acknowledge that, but it's not going to do the job.' Here is something that might help. It is not great and it is not a solution, but it might help. We are asking—we are begging—for this parliament to help us.

I turn now to the issue of collective bargaining. I heard someone say before that there have been a lot of things that hurt the industry. Collective bargaining is deregulated now. There are some co-ops, but mostly there are individual processors but there is an imbalance in market power. It happens everywhere. Everyone talks about Coles and Woolworths and, yes, that is the problem, but who is going to tell me that they are going to fix that? Are we going to fix that? If not, let us find something else to do. Here is something else we can do, because I would love to fix Coles and Woolworths but that does not seem to be happening. Do not try and deflect the problem down to Canberra and say that it should be fixed there.

As the member for Dalrymple mentioned, when the precursor to this bill came in during the last parliament the then minister said, 'This is all good. You're a bit silly, KAP, and you don't understand things well, but leave it to the grown-ups. We'll go down to Canberra and sort all this out.' The member for Dalrymple brought that up in the hearings and asked the QDO whether anything transpired from that. Did they go down to Canberra with the QDO to try and sort it out? They said, 'No, nothing.' Everyone can turn up at the protests—and I saw members from both parties at the dairy protest—and stand arm in arm with them and say, 'We're going to help you.' Do not tell them that you are going to help them and then do nothing. If you do not tell them, that is fine, but do not tell them that you will and stand out there protesting with them but then do nothing. When you are given an opportunity to help them, you help them.

Yes, this has some risks. Yes, the QDAS data may not be as robust as we think it is, but it will still do the job. It is still something. The alternative is to do nothing and hope that some of these boutique processors can still stay alive. There is an option here given the alternative that this whole industry could collapse in the future. We are already 180 million litres short per annum in Queensland of producing our own milk—that never used to be the case—but there is nothing to stop that from going down to zero in the future because we are losing competitiveness. I challenge anyone to go to the dairy regions and pick some areas that are going really well and show me some farms where it is viable and there is a strong future. I wish there was, but there is not.

I want to zero in on the DAF officers who gave evidence to this committee. Let me say—and I am being kind—that it was very disappointing. By the time they had finished, some of us were really confused because, judging by the summary they gave, the industry looked pretty good. I was pretty cranky and I said, 'This is your one opportunity to talk to politicians about the health of the state of the industry. Who really cares if it is good or bad, but just tell us how it is.' Nothing groundtruthed from what they said compared to what I see on the ground. I am no expert, but from the information they were giving I would almost go out and buy a dairy farm. They were saying that things are good in terms of production. By all accounts it is in a terrible state, and that is all we want—good, frank information from them. I cast a very harsh judgement on those DAF officers who really were not giving a clear picture in terms of the state of the industry when there was a great opportunity for them to do that. At least the committee chair and the committee itself came together to say that there are big problems, but we certainly were not given that impression from the presentation by the DAF officers.

Everyone seems to be in favour of voluntary labelling, but there is a huge step of having government control—exactly what the QDO endorsed in the hearings. It said that the labelling was good but that the government needs to do it and lead it. That was the statement that was made. Everyone agrees with the concept. People say, 'We all want it, but, no, the government can't do it.' It runs deeper than that. It is often unsaid in this place, but the reality is that it is a political thing. This bill has been presented from the crossbench and therefore it will not be supported. That is tragic for those dairy farmers. I did not meet one who did not support this bill. If I knew nothing about government policy, I would go to the QDO and say, 'Does this sound good? You guys should be a pretty good arbiter of what works and what doesn't.' It said unequivocally in the report, 'This is a good thing. This is what we need.' It said that last time when a similar bill was brought in during the last parliament and it said that again this time. No-one in this House will be able to dispute that because that is what happened and that is the reality. It is unfortunate that we have come to this position and I think it reflects badly on this parliament that we cannot do something more than we are for those dairy farmers.

I want to take up something the member for Burdekin said earlier to which I take exception. There have been some good contributions and respectful contributions made here tonight, except from the member for Burdekin who said that this was a stunt. Do you know what? If it were your bill, member for Burdekin, great, and I would back it—like we do all the time—but you love criticising when we get up

here and try something. Guess what happened tonight? Some \$550,000 has come out for the dairy industry. Guess what would have happened if you sat there and did nothing? Nothing! At least we generated a response. At least we are having a go, and you did nothing but all you do is criticise.

Madam DEPUTY SPEAKER (Ms Farmer): Order! One moment, member for Mount Isa. I appreciate that this is something that you feel very passionately about, but all comments in this House must be directed through the chair and members should not be arguing with each other across the chamber.

Mr KATTER: My apologies, Madam Deputy Speaker. I have said enough. Clearly I am quite angry. I can accept criticism of the bill itself, but do not say that we are coming in here to play games because we have always tried to do things working with both sides and we have done this in the best interests of dairy farmers. There are people dying out there and, if the best you can contribute is saying that we are playing pranks, well shame on you!