




Speech By
Shane Knuth

MEMBER FOR DALRYMPLE

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SUSTAINABLE QUEENSLAND DAIRY PRODUCTION (FAIR MILK PRICE LOGOS) BILL

 **Mr KNUTH** (Dalrymple—KAP) (9.08 pm), in reply: I introduced the fair milk mark bill in 2013 and it was debated in 2014 and we heard the same nonsense then that we have heard tonight. It was said that there were problems with electricity. Yes, there are problems with electricity for dairy farmers but there are problems because they are not paid a fair price. Dairy farmers are not provided with a sustainable price to produce a litre of milk. Those against the bill use the spiel of 'look at overseas markets'. We have heard that before too. We have also heard that it is a federal problem, the sky will fall in or it is flawed legislation. I introduced that legislation back in 2013. It was debated in 2014. When I tabled that bill there were 540 dairy farmers. There are now 430. Since that night many have gone and the dairy industry is still going down, down. I will read what the previous agriculture minister, Dr John McVeigh, said—

I support the view that there is a lack of transparency in the retail marketing of milk and that the current dollar a litre for drinking milk campaigns, whilst benefitting consumers, are causing difficult outcomes for farmers.

...

The Agriculture, Resources and Environment Committee's recommendations included a point of clarification and suggested that I outline the government's plan to assist the Queensland dairy industry. I wish to inform the parliament that I am in the process of establishing a dairy industry round table to continue work on a development plan to enable further consultation with stakeholders. The plan will build on my findings from the dairy industry forum that I convened and I chaired in August 2013. In particular, the plan will reflect on the government's continuing commitment to the dairy industry.

...

The Agriculture, Resources and Environment Committee found that milk processors do not support the proposals. We will continue to take a practical and dogged approach to the development of the dairy industry. This government has rolled up its sleeves to do that. We have done that over an extended period of time, as evidenced by my reference to meetings in this contribution tonight. The Newman government does not support the ill-conceived proposals of the Milk Pricing (Fair Milk Mark) Bill 2013, though it will continue practical discussions.

They were going to do something. Nothing has been done. There were 540 dairy farmers at the time that he said these words. Now there are 425.

The chair of the Agriculture, Resources and Environment Committee, Mr Rickuss, recommended to the minister that the minister work with industry and his federal counterparts to bring more equity into the milk market and help farmers reach overseas markets. Nothing was done. As I said, we had 540 dairy farmers; now we have 430.

We have heard a lot of reasons why they are not supporting this bill tonight. I will read from a press release sent out by the Queensland Dairyfarmers' Organisation and also a statement in *Queensland Country Life*. I do acknowledge the \$1 million, which is \$1 million more than the LNP government had provided to the Queensland dairy industry. I can guarantee some of these speeches here tonight had to have been written by Woolworths and Coles. The LNP says that it is flawed

legislation and there are problems with the Queensland Dairy Accounting Scheme, which is a government provided scheme through the department of agriculture. The press release from the Queensland Dairyfarmers' Organisation reads—

The Fair Milk Bill that was tabled in state Parliament last week by the Katter Australia Party's Shane Knuth, provides an opportunity to help deliver both better product information to consumers and a more sustainable dairy industry in this state. The Bill sets out to provide milk processors a consistent label that can be used to identify milk products that are sourced from local dairy farmers at a sustainable price. It was disappointing in 2013 when a similar bill was voted down by the two major parties despite strong farm sector support.

Tonight we hear that the bill is flawed, it cannot be done, it will not work, yet we had 1,500 dairy farmers; now we have 425. The press release further states—

Importantly it will also signify that the Queensland dairy farmer who produced the milk has been paid a recognised sustainable price. The state minister will draw on information from departmental and other independent sources including Queensland Dairy Accounting Scheme (QDAS), dairy farmers and dairy representative organisations twice yearly to establish what the sustainable price should be.

Of course this will be a completely voluntary opt in process for any milk processors to consider whether their brand would benefit from identifying their milk as sustainably sourced.

The fair milk logo scheme is built upon the concept that as a general rule consumers wish to support the local dairy farmers. The recent and very public 'I Buy Branded' campaign, which encouraged consumers to shift from \$1 milk to processor brands, was a clear manifestation of this support. During the campaign there has been some confusion over what 'branded milk' was, the Fair Milk Logo would solve this.

The future of the Bill now solely rests with the major parties. It is time for Labor and Liberal National Party to both put politics aside to support the Queensland dairy industry by empowering consumers.

We appreciate the fact that there has been \$1 million provided to the Queensland dairy industry. Last year we lost one million litres of milk that was produced. That is \$500,000, so within two years that \$1 million will be gone. The government and the opposition went to the Queensland Dairyfarmers' Organisation and said they were not going to support the bill. They had no choice but to at least get something out of this. I will read from a statement dated 25 April 2017 from Brian Tessmann, the President of the QDO. It is titled 'No fair go for logo'. It was after the decision was handed down by the committee not to support the bill. It says—

Disappointment and bewilderment sum up the reaction from local dairy farmers after the Parliamentary committee report into the Fair Milk Price Logo Bill recommended that it not be passed. The report did not even attempt to amend the proposed legislation as is convention with other bills. The only takeaway for Queensland dairy farmers was a flat 'no'.

It is clear the committee did its best to find reasons not to pass the bill. The few reasons it gave resemble a joke rather than the respectful response our industry deserved.

Some members brought up that this may infringe section 92, but the Queensland Dairyfarmers' Organisation said—

The claim the logos would be in breach of section 92 of the constitution, the section that guarantees free trade between states, was an exaggeration of the highest order.

This is not coming from politicians, this is not coming from me; this is coming from the Queensland Dairyfarmers' Organisation. It further states—

Section 92 restricts states from excluding product from other states or imposing disincentives such as tariffs. The Fair Milk Logo Bill would assist in identifying local product, not restrict or impose any tariffs.

The Labor Party and the LNP were saying that it may infringe this section. They were trying to find whatever excuse possible, but the Dairyfarmers' Organisation said it does not infringe on section 92 at all. It further states—

The report misappropriated my claim that the logo may lead to an increase in value of Queensland produced milk as evidence of 'restricted trade'. Most people would see this as simply a result of positive consumer reaction from the logo, rather than a constitutionally contentious outcome. The committee's rejection of the Fair Mark Logo Bill is the equivalent of questioning the merits behind the 'Made in Australia' logo because it would discriminate against imported goods.

Farmers have been shocked that the two major parties have, to date, not been prepared to assist consumers to identify local Queensland milk.

While I said that tonight, those are the words of the Queensland Dairyfarmers' Organisation. It continues—

As with the previous attempt to get the logos through the parliament, the idea has been thrown back to the industry. Promised support has never materialised and we have no belief this committee's words have any more meaning than last time. The only workable outcome is for Parliament to pass the Bill and finally do something for dairy farmers in the state they claim to represent.

The 2014 bill was rejected with the same spiel that we have heard tonight. From the words spoken by government and opposition members, this bill will also be rejected tonight.

It is quite simple: this is a voluntary logo. A processor can choose to embrace this voluntary logo to identify that the farmer has been paid a fair price. If that farmer has been paid a fair price—most farmers across Queensland are not—the fair milk price logo will be put on his bottle of milk. When a mum goes to the supermarket, she will be able to clearly see that logo. When you go into supermarkets, there are milk bottles everywhere. You have Coles milk, you have Woolworths milk, you have home-brand milk. The whole idea behind the logo is that shoppers can clearly see which milk to choose to support and sustain the Queensland dairy industry. It is so simple.

Madam DEPUTY SPEAKER (Ms Farmer): Order! Members, the volume of conversation is really too high. If members wish to have a conversation, please take it outside the chamber so that we can hear what the member for Dalrymple has to say.

Mr KNUTH: We have talked about the logo being introduced by the industry, but the industry has gone to the government because they are desperate. That is why they have been protesting outside this place. We used to have 1,500 dairy farmers and now there are 425. When I tabled this bill, there were 540 dairy farmers and now there are 425. The night that we debated the fair milk mark bill, we heard exactly the same tripe as we have heard tonight, and in the meantime the dairy farmers are going down, down, down.

While the other parties do nothing more than talk about finding other means or looking overseas, we are losing 70 dairy farmers every year. By 2030 there will be no dairy industry in Queensland. We have to remember these moments when we took the initiative and tried to do something. We have put our resources and energy into trying to help this industry, but that help is being flatly rejected. The Queensland Dairyfarmers' Organisation encourages both the government and the opposition to support this bill, because if we do not do something we will see the end of the milk industry.

This bill is in line with the National Competition Policy enacted through the federal government's Competition and Consumer Act 2010. The bill does not force anyone in the supply chain to use the logo. It is a non-compulsory market mechanism that processors can adopt if they want, but they do not have to use it if they do not want to.

Mr Rickuss interjected.

Mr KNUTH: What did the member's government do? They said that they would look at overseas markets, but they did nothing. What happened? Big mouth over here—

Madam DEPUTY SPEAKER: Order!

Mr KNUTH: I withdraw.

Mr RICKUSS: Madam Speaker, I am highly offended. I ask him to withdraw.

Madam DEPUTY SPEAKER: The member for Dalrymple has withdrawn.

Mr KNUTH: The bill does not force anyone in the supply chain to use the logo. The Sustainable Queensland Dairy Production (Fair Milk Price Logos) Bill 2016 does not provide full rectification of the losses and disadvantage to the Queensland dairy industry, nor does it interfere with the supply chain of fresh milk to Queensland consumers. Fundamentally, its aim is to increase consumer engagement in the economy of dairy production in Queensland by establishing an eligibility criteria for a market based mechanism for a legally protected and easily identified logo. Supporting this bill shows that we are listening to our communities and are helping desperate dairy farmers stay afloat and continue to provide fresh Queensland milk. This bill sets a national precedent, with Queensland spearheading a policy platform for a sustainable Australian dairy industry.

This bill is about survival. I am speaking up for dairy farmers across Queensland. As they have said, it is disappointing to see what happened with procurement. We want to support the dairy farmers in the regions, particularly with the hospitals now negotiating to purchase milk 1,000 kilometres away. This bill is about the survival of the dairy industry. I fully commend the bill to the House.