




Speech By
Christopher Whiting

MEMBER FOR BANCROFT

Record of Proceedings, 5 September 2019

MOTION

Dairy Industry, Milk Prices

 **Mr WHITING** (Bancroft—ALP) (12.50 pm): The motion moved by the member for Hill deals with two separate aspects that I will address in my contribution. Firstly, the member for Hill has called for a 10-cent levy on milk. This parliament does not have the power to set a levy that would withstand constitutional challenge. If the Commonwealth parliament wanted to consider setting such a levy, it would be a matter for its consideration. It would not be the first time a milk levy had been imposed by the Commonwealth to apply to the dairy industry.

Dairy Australia has a very interesting history on the deregulation of the industry and the introduction of a levy. Dairy Australia reports that in early 1999 the industry's peak policy body, the Australian Dairy Industry Council, approached the federal government with a plan for an orderly national approach to the deregulation of the drinking milk sector, in conjunction with the end of manufacturing milk price support.

On 28 September 1999 the federal government announced that it would implement the dairy structural adjustment program. This program included the imposition of a retail dairy adjustment levy of 11 cents per litre on consumers of products marketed as dairy beverages. This levy funded quarterly structural payments over eight years to Australian dairy farmers to assist them to make the necessary adjustments to a deregulated environment with minimal social and economic disruption.

Finally, all states repealed legislation governing the sourcing and pricing of drinking milk. The state milk authorities that administered these controls were wound up from 1 July 2000. Queensland therefore no longer has a Queensland dairy authority. It was noted at the time that Queensland had in effect a tax of up to 25 cents per litre. In proportionate terms, this tax on milk consumption was the highest in Australia at the time. Any levy discussion, therefore, should be considered at the national level to ensure equity and fairness for the entirety of the supply chain.

I turn to the second part of the motion. I think it is important that the supermarkets, and through them the consumers of dairy products, support the industry here in Queensland. I will use Woolworths as an example and quote from their September 2018 press release. It states—

Woolworths Director of Fresh Food Paul Harker said, 'There's no doubt many dairy farmers are doing it tough in the face of the drought and we're keen to support them through this difficult time.

'Many of our customers have told us they want to help and are willing to pay more for their milk to do so.

'This new range of drought relief milk will provide customers with that choice, safe in the knowledge the extra money will flow through to dairy farmers in drought affected areas.'

That release also noted that the new drought relief range would offer customers additional Woolworths full-cream and Woolworths lite milk varieties at \$2.20 for two litres and \$3.20 for three litres, with the extra 10 cents per litre to go to dairy farmers in the drought-affected areas. Let's not forget that the other supermarkets also acted in response to assist our farmers.

Further, when the ACCC considered the \$1-per-litre milk and analysed the relationship between retail, wholesale and farmgate milk prices the ACCC did not see any evidence of supermarkets seeking to influence farmgate prices. Be that as it may, I have the greatest confidence that Queensland consumers will be monitoring supermarkets to ensure suppliers are receiving a fair deal for their produce.

On the matter of supporting the Queensland dairy industry, I commend the minister for agriculture, who is promoting the food produced in Queensland through the #eatqld campaign. I know that he highlighted that in detail during estimates. We all want to support the Queensland dairy industry and Queensland dairy products, especially through the #eatqld campaign. That includes newer entrants to the industry—businesses like Little White Goat Cheese based at Wamuran. They are featured today in the Moreton Bay Food and Wine Festival. They produce a handcrafted goat, buffalo, camel and cow cheese, including an incredible feta. I know that we have a resilient dairy industry in the face of what have been some very tough times. They produce amazing products, and Queenslanders are prepared to make their choices to support them.