

**QUESTION ON NOTICE**  
**No. 748**  
**Asked on 29 October 2013**

**MRS CUNNINGHAM** asked the Minister for Agriculture, Fisheries and Forestry (MR McVEIGH)—

**QUESTION:**

With reference to the sustainability of Queensland's dairy industry—

Does the Minister support the introduction of a mandatory code of conduct, and ombudsman and changes to the Competition and Consumer Act being asked for by the QDO of the Federal Government?

**ANSWER:**

I have spoken to both milk processors and major supermarkets about my concerns regarding prices paid to dairy farmers, and the impact of retail milk prices on the sustainability of the Queensland dairy industry.

On 15 August 2013, I held a joint industry / government dairy industry forum. The purpose of this forum was to bring all supply chain stakeholders together to jointly inform me of supply chain issues.

I am aware that some milk contract negotiations have resulted in processors paying farmers less for milk. Whilst the retail price of milk was not used as a reason for these lower prices, I remain concerned as to the relationship between the ongoing discounting of milk and the profitability of Queensland's farmers and processors.

The Honourable Bruce Billson MP, Federal Minister for Small Business, recently indicated that a review of Australian Competition Law is vital to make sure the existing laws are fit for their purpose, and the competition law review not only needs to look at the effect discounting is having across the supply chain now, but at the longer-term effects as well.

The Queensland Dairyfarmers' Organisation (QDO) has developed proposed amendments to the *Competition and Consumer Act 2010 (Cwth)* and proposed new Commonwealth legislation, the *Dairy Industry Bill 2013* and *Dairy Industry (Code of Conduct) Regulation 2013*. QDO provided me with a copy of their proposed Dairy Industry Code of Conduct and Ombudsman framework in March 2013. The mandatory Code of Conduct proposal is to establish an Ombudsman with powers to issue public warnings and sanctions to be applied through civil penalties if warnings are contravened.

I look forward to these initiatives being considered by the Federal Government. I also support the Federal Government's proposed review of Competition Law as other agricultural industries would benefit from consideration of longer term effects on the supply chain when the Australian Competition and Consumer Commission is investigating complaints.