

AGRICULTURE, RESOURCES AND ENVIRONMENT COMMITTEE

Report No. 30 on the

Milk Pricing (Fair Milk Mark) Bill 2013

QUEENSLAND GOVERNMENT RESPONSE TO THE RECOMMENDATIONS DIRECTED TO THE GOVERNMENT

INTRODUCTION

On 2 May 2013 the Milk Pricing (Fair Milk Mark) Bill 2013 (the Bill) was introduced to Parliament as a Private Member's Bill by the Member for Dalrymple, Mr Shane Knuth MP.

The Bill was subsequently referred to the Agriculture, Resources and Environment Committee (the Committee) with a report back date of 4 November 2013.

On 4 November 2013 the Committee tabled its report (No. 30) in relation to the Private Member's Bill (the Report).

The Queensland Government response to recommendations one, three and four of the Report is provided below.

RESPONSE TO RECOMMENDATIONS TO GOVERNMENT:

Recommendation one:

The committee recommends that the Department of Agriculture, Fisheries and Forestry continue to liaise with the Queensland Dairyfarmers' Organisation (QDO) to formulate a strategy to assist farmers and co-operatives in targeting dairy markets in the Asian region, and to continue to seek alternative ways to support the dairy industry in Queensland.

Queensland Government response:

The Queensland Government notes that recommendation one is directed to the Department of Agriculture, Fisheries and Forestry (DAFF).

The Queensland Government agrees that there is merit in formulating a strategy to assist farmers and co-operatives in targeting dairy markets in the Asian region and to support the dairy industry.

Accordingly, DAFF will continue to liaise with the QDO and has commenced drafting a strategy for the Queensland Dairy Industry that will assist farmers and co-operatives. As part of this strategy, Trade and Investment Queensland in conjunction with DAFF will continue to work with potential exporters and inbound investors to facilitate new trade and development opportunities for the dairy industry. DAFF will engage with other jurisdictions facing similar dairy industry issues.

DAFF will continue to participate in a northern dairy industry strategic forum with local and national representatives of farmers and processors, and also continue to work with Dairy Australia and the QDO on a number of research, development and extension activities in tropical and sub-tropical dairy production systems.

Recommendation three:

The committee recommends that the Minister for Agriculture, Fisheries and Forestry continues to liaise with the Federal Agriculture Minister, the Hon. Barnaby Joyce MP and the Federal Minister for Small Business, the Hon. Bruce Billson MP, to explore avenues available to bring more equity and balance into the milk market, on both a state and federal level.

Queensland Government response:

The Queensland Government notes that recommendation three is directed to the Minister for Agriculture, Fisheries and Forestry (the Minister).

The Queensland Government remains concerned about farm gate milk prices and the impact of retail milk prices on the sustainability of the Queensland dairy industry and sees merit in liaising with Ministers of the Federal Government to explore avenues to bring more equity and balance to the milk market.

In particular, whilst the Government does not interfere in commercial arrangements between private entities, there is merit in the dairy industry proposals for amendments to competition law and a Dairy Industry Code of Conduct.

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 too.

The Minister will continue to liaise with Federal Ministers on a 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.

Recommendation four:

The committee recommends that the Department of Agriculture, Fisheries and Forestry continues to provide assistance with business pathways and technical advice to dairy farmers wishing to establish small processing operations in Queensland.

Queensland Government response:

The Queensland Government notes that recommendation four is directed to the Department of Agriculture, Fisheries and Forestry (DAFF).

The Queensland Government agrees that there is merit in providing assistance to dairy farmers wishing to establish small processing operations in Queensland. The Queensland Government will include this recommendation as part of the strategy for the Queensland Dairy Industry.

The Queensland Government supports the dairy industry through a range of research, development and extension activities in tropical and sub-tropical dairy production systems, and food safety regulation and through concessional financial assistance.

The Queensland Government thanks the Committee for its considered position on these issues.