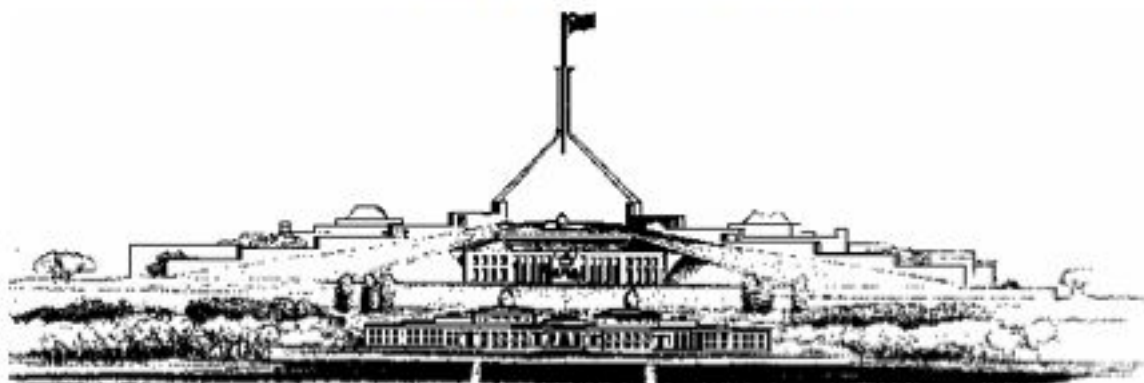




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

BILLS

**Agriculture, Fisheries and Forestry
Legislation Amendment Bill (No. 1) 2012**

Second Reading

SPEECH

Wednesday, 13 March 2013

BY AUTHORITY OF THE SENATE

SPEECH

Date Wednesday, 13 March 2013
Page 1536
Questioner
Speaker Joyce, Sen Barnaby

Source Senate
Proof No
Responder
Question No.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (10:39): This bill, the Agriculture, Fisheries and Forestry Legislation Amendment bill (No.1) 2012, makes a number of changes to the acts that relate to agriculture, fisheries and forestry legislation, including the Wine Australia Corporation Act on which we have heard from Senator Edwards some very detailed deliberation; and the Fisheries Management Act, with a direction to close a fishery under statutory fishing concessions. I should note that Australia is overwhelmingly now an importer of fish. I think about 72 per cent of our fish is now imported, which is a disgrace. It is absurd that we have countries outside our zone collecting vastly more fish than we do. Basically we are creating a mechanism to feed Taiwanese and Papua New Guineans and whoever else wishes to turn up with their fishing vessels. We should have a greater capacity to manage our own fishery and to provide for the Australian people more of their own fish. We have heard even lately the huge concerns out there about the use of excessive antibiotics in farmed fish, especially coming out of Vietnam. This causes real health concerns in Australia. The Australian people should be aware that if you want to create a mechanism for the consumption of a superbug you are going about it the right way if you are consuming fish that come from an area where there has been an excessive use of antibiotics, so that you basically create an environment where the only form of bacteria that will survive will be the one that is resistant to antibiotics and you have served it up with peas and carrots at your dinner table. I do not think that is a very clever way to do business. What I would be doing is consuming fish caught from the wild in Australia which has all the natural forms of challenge and response affecting its life as opposed to what you are getting when you are buying a product that is imported. It might look like the domestic product but I can assure you it is totally and utterly different. So we have a role in the future to start informing the Australian people about the fact that we have a better product, that there is the capacity for a better utilisation of our fishery resource and to make sure we using more of that to feed the Australian people with a product they wish to purchase.

The legislation also deals with the Fisheries Administration Act and the Primary Industries Levies and Charges Collection Act, which is basically going

to enable the secretary to remit all or part of a penalty imposed for the late payment of the levy or charge. It also deals with the Farm Household Support Act to remove specific references to departments and secretaries. The coalition supports these changes because they streamline administration and reduce costs for the industry in some instances. But it is unfortunate that this bill is not reflective of the government's broader approach to our primary industries. Australia's agricultural exports still account for more than 20 per cent of our exports.

We have to realise that we should never get confused between the GDP argument and where the money in reality actually turns up. In the chamber here at the moment there are seven senators, eight with you in the chair, Mr Acting Deputy President. If we have a case where someone brings in \$10 and spins it around to every senator in this chamber, they say, 'Whoopee, the GDP of this chamber is now \$80.' That sounds great. They will say, 'That is \$80 and around 88 per cent of it came from all those people inside the chamber, who are the service sector. Therefore the service sector is incredibly important.' But the reality is that if the gentleman in the chair had not put his \$10 forward first then no-one in the chamber would have any money, because it is that money that has been spun around. So the actual delivery of money into the economy, the actual delivery of funds in a primary source, is vitally important for the economic sustenance of this nation, and 20 per cent of that comes from the agricultural sector. Then you have mining, obviously Australia's biggest export. It is for our own survival as a nation that we must be cognisant of where primary industry is going and we must make sure it is sustained. I know the farming sector has always been the harbinger of people who have generally got a gripe. I grew up in that sector and I am still part of that sector. But now there really is a problem. We are losing farmers. They are going out the back door. I went to Western Australia and spoke to farmers there. I went there as a politician and I came away feeling like a psychologist. It is quite disturbing how much under the pump they are. In the wheat industry they have been frosted and they are dealing with the corruption of global world prices by reason of a manipulated global currency. In Western Australia they had the live sheep trade, but of course those in the radical environmental movement want to shut down the live sheep trade. We are just making

people destitute. We are making them poor. We are destroying their quality of life—and, in so doing, we are doing it to ourselves.

There are 134,000 farm businesses in Australia and there are 307,000 people employed in Australian agriculture. That is vastly more than is employed in the mining industry—vastly more. People are always thinking that the farm sector does not pull its weight, but from 1974-75 to 2003-04 it grew just shy of three per cent per annum. It was consistently outperforming other sectors. So, when you are looking for productivity increases, the farming sector—when it has the right government policy surrounding it—will actually deliver it. When I started in the cotton industry, we used to budget on 2.7 bales to the acre. There are 2.471 acres to the hectare, but we were still working on acres. So it was about 2.7 bales to the acre, and with that it was thought that you were doing the job well. Now it is four bales to the acre. Imagine if we could do that in other sectors of our economy. The economy would boom. We have been doing that in agriculture.

I remember when there was a discussion about GPS. They were going to GPS for the delivery of the chemical requirements of the land, because we needed to save money. If you look at the scope and structure and carcass size in the abattoirs, you see that it has gone up immensely. The marbling content has gone up immensely. The quality of the product has gone up immensely. There have been real productivity increases, but we cannot be constricted by certain regulations which are more emotive than realistic. The inclusion of buffel grass into the pasture in red soils has given us an incredible increase in the capacity for the delivery of protein per acre off country which otherwise is not able to deliver an outcome. There have been watering issues. In my own family hundreds of thousands of dollars have been spent on piping and boring groundwater to save that resource. That is why we get so hot under the collar when we hear about coal seam gas and other people utilising the resource without the same sanctity with which we hold that water resource. These are the things that agriculture has been delivering.

This has been one of our strengths for so long but we are now losing farming families. There are 100,000 fewer farming families now than there were 30 years ago. Even the size of our agricultural area is reducing. In 1980 we had about 496 million hectares of farming land. In 2010 there was just shy of 400 million hectares. We have lost about 100 million hectares of farming country. If we look anecdotally at one of the industries that was at one stage the key of the providence of this nation we see that in 1980 we had 136 million sheep and in 2010 we had 68 million sheep—and it is going down even more.

This is a sign that our policy structure is not correct. There is an epiphany we have got to have as we go stammering and tripping along to an election, who knows when. If we want to have a real debate—something that the Australian people will be engaged with—another area that we should be looking at is farm policy. We need to look at how we make sure that we keep these people on the land, how we make sure that we give a fair return to people on the land and how we make sure that we are part of a process that actually deals with issues. Anybody can have empathy. Empathy is easy. Just stick on a pair of elastic-sided boots, put on an akubra and talk out the side of your mouth and you have got empathy all worked out. But that just does not cut it.

What people are looking for now is policy that is going to address the needs and requirements of the industry to bring a future back into agriculture. The only way that you will get a future in agriculture is if you are determined to bring about a fairer outcome at the farm gate. There are a range of things that have been working against us at the farm gate. First and foremost we have the dollar. We have the United States which is in a period of quantitative easing; we have the Chinese who have basically manipulated their currency and tied it to the Americans who are printing their own dollars; we have the Europeans who are in a period of quantitative easing and subsidies; and we have England quantitatively easing.

We have to start asking the question: are we going to be pure in debt? Are we going to be the people who never broke a rule but we all went broke? The return at the farm gate is getting smashed by the global corruption in the currency market. What is the government's policy for this? How are they going to deal with this? Coming up with a constructive outcome in that area would be vastly beneficial. You can do that in a Giorgio Armani suit with Jimmy Choo shoes on, and that is going to be a vastly better outcome than wearing an akubra hat and elastic-sided boots and not having anything really to say.

There is also the exploitation of the farmer by an overcentralised retail market. In the past it was like: 'Oh, we can't talk about that.' Well, we have got to talk about that. It is just unnatural. We are the only place in the world that has the form of centralisation that we have got—except North Korea. It has probably got more centralisation than us. But, apart from that, we are it. There is nothing wrong with a company being powerful—good luck to Coles, good luck to Woolworths; well done—but there is a problem if they use that market power for the exploitation of the farmer. We have a Competition and Consumer Act that talks about the competitive stresses between two competitors in a market, but it does not properly

address the exploitation between the supplier and the retailer. It does not properly deal with that relationship. We should have a policy discussion—the coalition has a root-and-branch review, but that is a policy discussion that the government should also be engaged in. How do we go about bringing a fairer term back to people?

The obvious example out there is \$1-per-litre milk. You cannot produce milk for a \$1 a litre—not on the farm. By the time the processor has had a chop at it and the retailer has had a chop at it, it is corrupting the marketplace. The retailers say, 'We're not affecting the farm price,' and they are right, because they buy it off the processor. The processor says, 'We can't do anything about it because we're supplying the retailer.' And the farmer just suffers. We have to go into the space and say that we want Coles and Woolworths to survive, prosper and thrive, but we cannot do it at the cost of exploitation of people on the land. We cannot have people turning up with the unilateral variation of contracts. If we did it to a wage and salary earner there would be an outcry. Imagine turning up to a wage and salary earner and saying: 'You know how I was paying you \$800 a week last week? This week I've decided I am going to pay you only \$300 a week, and I know you have nowhere to go.' If we did that to individuals people would be disgusted, but that is happening to farmers and we are all sitting back and saying: 'Oh, that's shocking, but we can't say anything about it. We can't interfere in the market.'

When there is exploitation it means that the market principles are not at work. The situation is devoid of the market principles, and when it is devoid of market principles then you have a role for bringing about fairness. If there were ease of entry, ease of exit, transparency in negotiations, multiplicity of players—with those sorts of terms you could say, 'I'll walk,' but farmers cannot do that, especially in the horticultural sector. Tomatoes, peas, carrots, onions—those farmers get held over a barrel. They are terrified to talk about it because they know that if they talk about it and the major retailer finds out about it then they will get cut out and go broke. We found out that the average price a dairy farmer is working for is \$7 an hour. Who in this building would work for \$7 an hour? Who in Australia these days would work for \$7 an hour? If you want to look after working families then where is the policy that deals with that?

We need new infrastructure and we need to open up new areas of irrigation. We need to have a future. There is a great capacity, especially in the north of this nation and with the utilisation of genetic modification in some areas, for the advancement of agriculture in these areas. You cannot say: 'I'm a friend to the farmer but I don't want any new farming areas. I'm a friend to the farmer

but I don't believe in the live cattle trade. I'm a friend to the farmer but I want to make life even tougher for the people of south-west Western Australia who are dealing with the live sheep trade. I'm a friend to the farmer, but I believe it is morally justifiable that some Australians today, in the year of our Lord 2013, are getting paid \$7 an hour.' That is not being a friend to anybody. If we are going to be fair dinkum about this we have to have an holistic view and say, 'Right, we're going to walk into this space and before this election we will make sure we are not talking about who said what to whom, and having some peripheral personality discussion in the election, but that we will be having a discussion about concrete policy issues that involves the Australian people and that brings us to a conclusion that is a betterment to the agricultural sector, because the Australian people need the agricultural sector.' We really do need it.

We have to look at the ethos of it. In my own small way I am trying to be part of the dams task force to build dams and create another mechanism of investment in agriculture, and I think that is positive. We have to touch base with the marketing department in trade. We are having real problems. It is no good going over to Beijing, Taipei, Tokyo or Seoul and coming back with photos full of happy, smiling people drinking cups of tea, but with no contract. You have to come home with something hard, something that shows you have opened up the market, something that shows a new form of advantage. We cannot develop new agricultural areas if we cannot move the product. We have to be able to follow that through, and that is something that needs a succinct group of people who work as closely with the Prime Minister as possible, who have the capacity and the runs on the board to deliver trade outcomes. We have to get them to work.

Minister Craig Emerson is supposed to be the trade minister, but what has he ever brought back? What has he ever delivered as a trade outcome? What is a deal that he has structured for us? If he were good at his job then farmers would be doing it better, but they are not—he has failed. Whenever I think of Dr Craig Emerson I have a picture of a man doing a dance in our courtyard. I cannot get it out of my head. I cannot see how he could be the trade minister. Now we have Minister Kelvin Thomson assisting him. The last thing I remember about Minister Kelvin Thomson is that he wanted to shut down the live cattle trade. In fact, he was playing his banjo at the Midwinter Ball and shutting down the live cattle trade. This is not much use to us. This is not much of a help. To give him his due, in the past Minister Simon Crean was not a bad agricultural minister, but we do not have him now. And Minister Burke has enough problems of his own at the moment.

We have to engage in this discussion about how a farm sector that is truly under the pump can be picked up and moved forward. All Australian people look to the farm sector as representative of how competent we are. They empathise with people on the land because they know they do it tough—and they do. They recognise that every farmer is also an agronomist, a veterinarian and a diesel fitter, and they do it for nothing. People recognise that they have done what the nation has asked of them: they went out west and scratched a living out of the dirt to provide a providence for this nation. We owe it to that farm sector to go back to that space right now and start coming up with a farm policy to bring forward at the election so that we can deliver a better horizon for them right now.