



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**BILLS**

**Wheat Export Marketing Amendment Bill 2012**

**Second Reading**

**SPEECH**

**Monday, 29 October 2012**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Questioner**  
**Speaker** Katter, Bob, MP

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**Mr KATTER** (Kennedy) (19:43): I do not take umbrage at the previous speaker, in speaking on the Wheat Export Marketing Amendment Bill 2012, but I always find it rather curious that these people who belong to parties are absolutely wedded to and rusted onto free-market policies. Every single person in this parliament, except the cross-benchers, is an advocate and a committed proponent of free markets. And for anyone to stand up here and question that, when they represent the National Party, the Liberal Party or the Labor Party, is an act of arch hypocrisy. It really is. But we will give them the opportunity, because we will be moving for the reconstruction of a single-desk seller in the wheat industry. And, with some pride, can I say that my book has now sold 16½ thousand copies in Australia, so a fair few people now know the history of this country. So you people in the Labor Party and the National Party cannot hide from it.

I am not accusing the Liberals of hypocrisy, because they have always been a free-market party, but the Country Party was formed to deliver statutory marketing, a single-desk seller, in the wheat industry. That was the reason for its formation. Every single person who bears the name National Party should be a strident arch-proponent and come into this place with conviction that we need collective and aggressive marketing of our product. The Country Party was the first party to introduce the single-desk seller—Jack McEwen always used to argue that he introduced it—but I think the history books actually read that the ALP did. The Country Party most certainly consolidated it.

Let us have a look at the great success story of deregulation. We started with Mr Keating deregulating the wool industry. When Mr Doug Anthony, the Leader of the Country Party, announced that we were going to have statutory marketing in the wool industry, I, as a little smarty-pants person who had done economics at the University of Queensland, one of the more distinguished economics schools in the world, thought supply and demand would in the end always determine price and I lost a very considerable amount of money by not buying 23,000 female sheep. The person who did buy those sheep would end up making, in today's terms, some \$6 million, so it was a pretty expensive lesson for me. When Doug Anthony introduced that scheme, those female sheep—ewes, as we call them in the industry—were selling for \$1 a head. Within two years they were selling for \$17.90 a head. That is the value of collectively and aggressively marketing your product.

When 'Red Ted' Theodore introduced the concept of collective bargaining for the workers of Australia, he could see no difference between the farmers and the workers. His brother was an AWU organiser in the cane industry and Ted Theodore was arguably the father of the AWU. He could see no reason why we could not have exactly the same rules applying in the sugar industry. So he introduced single-desk marketing, a single-desk seller if you like, in the sugar industry. From that day forth, we had a stable and prosperous industry. If you go to the sugar towns of North Queensland, you will see big buildings that are out of all proportion to the little towns—because they had great prosperity. Every one of those mills was built by the farmers themselves, in conjunction with the government—if they were not, they were little tiny toys until they were taken over by the farmers and built up into huge industrial undertakings, the sugar mills of Queensland. Thanks to the people in this place who deregulated that industry, all of those mills except for Mackay are not owned by the farmers anymore; they are foreign owned. When this place deregulated the dairy industry, every dairy in this country was Australian owned—and the destruction wrought upon the Australian industry, the Australian people and the Australian economy has been colossal.

Let me just give you the scorecard. I feel the pain and passion that I exhibit in this place because I know these people who have committed suicide or who are bankrupt and living in tiny little houses in the city because that is all they can afford because they have lost everything after four or five generations of hard sacrifice in this country. The wool industry was the first cab off the rank—an absolute disaster. When statutory marketing was introduced, the price doubled over the next two or three years. When Mr Keating undermined the scheme, and then abolished it, the price dropped clean in half over the next two or three years. You could not get a more clear-cut example of the operation of an aggressive collective marketing system—in sharp contrast to the ragtag,

'sell it yourself' and 'do your best, mate' when you come up against the international buyers, of which there are probably only half a dozen in the world.

The next cab off the rank—and I will not go into the smaller industries—was the egg industry. It was another absolute disaster. The price to the consumers went up 20 or 30 per cent, the price to the farmers went down 30 per cent and the people in the middle made \$350 million a year in extra profit. After those two disasters you would think that this place would have woken up to itself, that the people in here would surely have realised what a disaster regulation was. No way, Jose. They then proceeded to deregulate the sugar industry—there's a magnificent success story! Sugar production in Australia is down 17 per cent. Every mill except Mackay and the two smaller mills in New South Wales has been sold off to foreign owners—23 mills have been sold to foreigners. Production is off 17 per cent and the industry has arguably the highest suicide rate of any of the rural industries.

The next industry was the tobacco industry. There were 2,000 people employed in Mareeba and another 3,000 in Victoria. The Liberals representing that area must be very proud of themselves: they abolished 3,000 jobs in Victoria; a town was left almost a ghost town by the callous, stupid, vicious actions of this place. And I might add that the Liberal-National Party was responsible in most of these industries. They were not responsible for wool—the ALP can take full blame for that one—but blame for the rest of them can be sheeted home to the LNP. We lost 2,000 jobs in Mareeba. It is an easy thing to say, but a person who loses his job loses his home and his car; in 25 per cent of cases he will lose his job and in two per cent of cases he will lose his job. It is pretty easy for me to reel off a figure like that.

And you say: 'Oh, well, now they'll wake up to themselves. They won't go any further, surely, now.' No way, Jose. The big one was waiting out there: the dairy industry. We pleaded, we cajoled, we told them it was stupidity, we said what was going to happen. I was in a party room then, the Nationals party room. Speaker after speaker got up and said, 'No, no, no.' But the frontbench? They couldn't care less. We had a party of wimps who all, when it came down to a vote, put up their hands to say, 'Yes, we're going to destroy the dairy industry now,' which they proceeded to do. All of the dairy factories of consequence are gone now. There are some notable exceptions. But I think it is a fair call to say that four of the five great corporations that were all Australian owned are now all foreign owned, except for Murray Goulburn. So that was a great outcome!

Thirty per cent of that industry has vanished—1,500 jobs from my electorate. But the dead are many in Victoria. I hope the members representing the Murray River in this place are very proud of their handiwork. I hope they are very proud of themselves, because they destroyed the biggest agricultural industry in this country. A third of our dairy herd has gone. Let me quote the figures from my area. We had over 220 farmers; we now have 42 farmers. One wonders how long it will be before we have none at all. We go from \$60 million or \$70 million a year coming into the dairy industry to a measly, tiny, almost-invisible cattle-fattening area with maybe \$5 million or \$6 million. And we have towns that look like ghost towns. One of those towns had the highest suicide rate in Australia four or five years after dairy deregulation. Within two years of dairy deregulation we went to a farmer committing suicide every four days. In this place, did anyone worry about that? No way, Jose. They are out there now deregulating the wheat industry and leaving it in the hands of monopolists.

Every single sugar mill is a monopoly. You cannot put sugar in the back of a truck and take it up the road to the next place. It is pretty much the same in dairy. You can do it a bit in dairy, but you cannot do it very much. So what the great advocates of competition policy in this place delivered to Australia was no competition: monopolies. That is what is happening in the wheat industry. It is being proposed today. The three industries that will own all of the facilities—one industry is based in New South Wales and Queensland, another one is in South Australia and another one is in Western Australia—will have a monopoly. It is not a monopoly in the hands of the growers, not a monopoly in the hands of the people of Australia, but a monopoly in the hands of giant international corporations who will pay us what they feel like paying us for their wheat.

Unlike the government of Brazil, that said, 'Our sugar industry will forge ahead of the rest of the world if we move to ethanol, and we'll have cheap petrol, and we won't have to buy our petrol from overseas,' Australia, of course, treats ethanol with contempt. All of the European countries have biofuels—all of them, every one of them. The Americas are all ethanol. But this country has no ethanol. When it was introduced in America the price of grain went up 15 per cent. Fifteen per cent on your gross would double the income of every single wheat farmer in this country. But are we doing that? No. We are going to have no single-desk seller. We are going to have a monopoly in the wheat industry.

And to think this is being introduced by a Labor government. The people that founded the Labor movement, the truly great people that I talk about in my book, people like 'Red Ted' Theodore and the great Ben Chifley, skited about how they had delivered a single-desk seller to the sugar industry. These men skited about how they delivered a single-desk seller to the wheat industry. The great achievements of the Chifley government in this country were the Holden motor car, the Snowy Mountains, wheat stabilisation and the telephone system. They were amongst the five great achievements of that standout. Well, Ben Chifley and 'Ted' Theodore would be turning in their graves if they knew what this bunch of pygmies to my left here were doing today. They are completely destroying this industry by handing it over to big international monopolist corporations. That is what is taking place with this legislation.