



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Federation Chamber

ADJOURNMENT

Devondale Murray Goulburn

SPEECH

Thursday, 5 December 2013

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Broadbent, Russell, MP

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Mr BROADBENT (McMillan) (11:08): In *The Financial Review* today Boral chief executive Mike Kane said running a profitable manufacturing business in Australia is extremely difficult because of high costs. He said: 'Unaffordable housing, the slow rate of land release, high energy costs, supply uncertainty, wage inflation, industrial relations problems, carbon tax, a high and volatile Australian dollar, high transport costs and low-population levels are making it difficult to deliver economies of scale.' You could not say anything worse; that is a shocking indictment of Australia.

In the process of all of that, one group, dairy farmers, just get up every morning and do their job. Sixty years ago a group of dairy farmers got together and decided they needed more dollars for the milk they were supplying. So they formed a cooperative and that cooperative became Murray-Goulburn. Its flagship label is Devondale and it is a national leader in Australia's consumer market. It is Australia's largest dairy food company now. Devondale Murray-Goulburn is committed to being the first choice in dairy foods in Australia and internationally. It contributes an estimated \$6 billion to the Australian economy annually, and the co-op is 100 per cent controlled by Australian dairy farmers. There are 2,413 dairy farmer shareholders and more than 2,000 employees across south-east Australia. Many of those are in my electorate; otherwise I would not be raising the matter today.

The domestic revenue is \$1.25 billion for 2012-13. The percentage of Australian milk volume produced is approximately 33 per cent or 3.2 billion litres—that is a lot of udders. Containers exported the equivalent of more than 21,000 21-foot containers. MG was the largest dairy exporter from Australia in 2012-13.

MG is building on its great heritage, leading transformational change and driving performance with its dairy farmers, shareholders, consumers, customers and employees. There is an issue about at the moment—that is, there are moves afoot in the dairy industry for takeovers. We are getting some criticism. Others are supporting the takeover of Warrnambool Cheese & Butter.

It is a very difficult issue when members of parliament stand here and tell business how to run their show at any time. There will always be different views in my electorate, and I will be meeting a group of farmers tomorrow to talk about that they feel that Murray Goulburn is at a disadvantage compared to Saputo with regard to this takeover.

I know this is of interest to only a small group of people, if you take the nation as a whole. We would like to be the leaders in dairy production for the world. We would like to do better than New Zealand. I think the inspiration of my local farmers is that they would like to see us gathering together all the players in the dairy industry so we become one force. My thoughts are that we should be getting closer to New Zealand so we become one package out of this part of the world, addressing our products and activities to the world.

We are the cleanest. We are the greenest. Around the world our products get a premium price because of the known value of the Australian product—that it is clean, green and safe. They can give it to their babies; they can give it to their children if it has that Australian label on it. Wherever we go in the world, that is the truth.

We have an amazing product which we should—and I know the member for Gippsland thinks exactly the same as me on this—be protecting at all times. I do not mean protecting our product through protectionism; I mean protecting the value of our brand. My meeting with those dairy farmers tomorrow will be a good day. There will be a bit of rough and tumble. They think that the ACCC is not enabling Murray Goulburn to have the same sort of opportunity as other bidders to gain control of Warrnambool Cheese & Butter.

I am a person who likes to stand aside and let business get on with business with minimum interference. If the government is interrupting the process somehow, that is something we should probably be looking at into the future; it is not for this very moment. I hope that Murray Goulburn will go on and on and, when we are all gone from this place, I know one thing will still be happening: there will still be a Murray Goulburn.