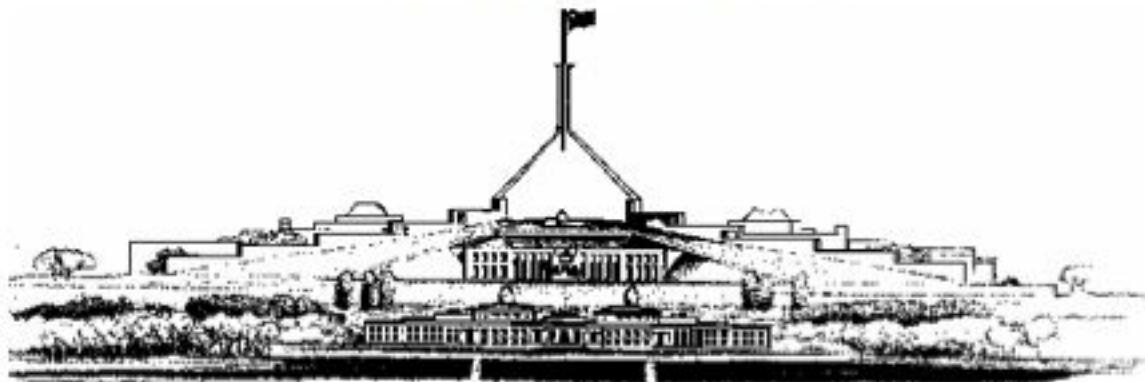




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

QUESTIONS WITHOUT NOTICE

Agriculture Industry

QUESTION

Thursday, 16 February 2017

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

QUESTION

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Speaker		Question No.	

Agriculture Industry

Agriculture Industry

Mr LITTLEPROUD (Maranoa) (14:20): My question is to the Deputy Prime Minister, the Minister for Agriculture and Water Resources. Will the minister outline to the House the effect of electricity prices increases across agricultural producers and processors, particularly in my electorate of Maranoa? How is the government protecting hardworking Australian businesses and families from unsustainable pressures on their hip pocket?

Dr Mike Kelly interjecting—

The SPEAKER: The member for Eden-Monaro is warned!

Dr Mike Kelly interjecting—

The SPEAKER: The member for Eden-Monaro will leave under 94(a).

The member for Eden-Monaro then left the chamber.

Mr JOYCE (New England—Deputy Prime Minister and Minister for Agriculture and Water Resources) (14:20): I thank the honourable member for his question. Agricultural production is forecast to reach a record \$60 billion in 2016-17, and \$12.5 billion of this is in beef cattle—almost \$1 billion across the 2,878 beef cattle farms in the Maranoa and Darling Downs region. Being a former constituent of Maranoa, I am very aware of that.

Tleys Australia, one of Australia's largest processing sectors, employs directly 4,000 people, and another 13,000 jobs are associated with it within regional Australia. They process around 1½ million head of cattle in feedlots in Condamine, Maranoa, Jindalee, Riverina, Charlton and Mallee, and have processing facilities in Rockhampton, Capricornia, Beenleigh, Forde, Biloela, Flynn, Tamworth in New England, Wagga and Naracoorte.

The average processing cost in Australia is \$300 per head. Unfortunately, the average processing cost in the United States is \$150 per head and in Brazil it is \$130 per head. So if you want to have more processing you have to keep control of your costs. If you do not want to encourage more cattle into the live cattle trade then control your processing costs. But you cannot control your processing costs when, as they say, the costs are spiralling out of control.

Total energy for Tleys this year will be \$39 million. What we have seen in places such as Naracoorte in South Australia is that, in the last three years, the costs have gone up by 60 per cent. In Rockhampton they have gone up by 57 per cent, in Biloela 40 per cent and in Beenleigh 28 per cent. That is from 2015 to 2017. Power prices are forcing people out of jobs, out of manufacturing jobs. It is quite simple: you can either have cheap power or cheap wages. We do not want cheap wages; we want to make sure people are well paid, so we must have cheap power. You would think the party that represented better wages would want cheap power, but they do not. What they want is dearer power and this dearer power is going to force out manufacturing jobs.

We are looking for a coherent explanation of what they have, so let's try it. Let's try some famous speeches. The first famous speech: 'We will fight on the beaches.' Who said that—'We will fight on the beaches'? Churchill on 4 June 1940. 'Four score and seven years ago.' Who said that? Abraham Lincoln. But this has to be one of the best speeches. Who said this: 'And ... the ... the ... again ... the electricity ... trading scheme post, you know... it ... it ... it ... where some people, where some ... um ... it cancels each other out, so yes.' Who said that? Bowen. He is up there.

The SPEAKER: The Deputy Prime Minister will refer to members by their correct title.

Mr JOYCE: The member for McMahon. And again, the impact cancels each other out. Mate, your incomprehensible impact cancels out everything your party— (*Time expired*)