

SUBMISSION FROM VIRGINIA CLARKE

ALP CANDIDATE FOR BLAIR

26 Queen Street, Dinmore 4303

Phone: (07) 38161263

Mobile: 0418196 862

I make this submission on behalf and for the communities that make up the new Federal Electorate of Blair.

The issue of dumping pork products in Australia is likely to have wideranging impact in this region. Pork farming is a significant industry in Blair. Production is at least one third of the State's output (this is a low estimation and it could be as high as 40 percent). Many farmers in the pork industry were experiencing difficulty early in the year. Ten to fifteen percent have a moratorium on their levies for the Queensland Pork Producers organisation. It is a certainty, they will not be in the industry next year and the probability is that number will be doubled by next February. Of course these figures only cover farmers with over seventy pigs, under the aegis of the Statutory body.

For Blair this will mean the destruction of a long standing industry in the area and it will have profound effects. Pork production, according to some recent studies is the highest income multiplier in agribusiness and after chicken the second highest employment multiplier. As with all regional areas we are dealing with unacceptable levels of unemployment in Blair. For example Laidley, a small regional centre but fairly typical of towns in Blair, has over 50 percent of the town on some form of social welfare benefit. Youth unemployment for 15 to 19 year olds is 27.4 percent. The local council has asked staff to work two hours unpaid work each week to help with one million dollars worth of unpaid rates. And in February and March there were eight suicides in Laidley.

The DEETYA small area labour market figures show that from March 1997 to March 1998 unemployment rates for Kingaroy have increased 11.6 percent to 14.9 percent and for Nanango 16.4 percent to 21.2 percent. The removal of a large sector of local industry will lead to even more disastrous consequences for this community. Certainly under the GATT agreements Article 19, the World Trade Organisation provides for some alleviation of such devastating community outcomes.

But not just pork producers will be affected by the current downturn in the industry, stock feed suppliers in one instance may go out of business as well. Many of them are acting as ancillary bankers in Blair. Some are carrying weekly debts of \$17,000 to \$20,000. These businesses will not be able to do this for much longer and many of them will crash with the farmers.

There is a cynical argument that says pig farmers who are going under this year, are inefficient and uneconomical. But that isn't true. The process of trimming the industry

has been in place for a decade. Over the last 10 years in Queensland from 87 to 97 the number of establishments with pigs have been reduced from 1822 to 821, a total of 59.4 percent. And ABARE has estimated that over the past 25 years the indicator pig price has fallen by an average of 2 percent per annum in real terms.

When the issue of dumping caused prices to fall below production costs in February, my local Senator received over 80 letters and faxes from farmers in South East Queensland. Many of those farmers have spent most of the profit of the last decade in capital re-investment. Many of them own state of the art piggeries. They are not asking for handouts but simply for time. The poultry and salmon industries were allowed 12 months to adjust to these changes, why not pork?

Our pork industry is an extremely attractive proposition in international terms, because we have no Chernobyl, acid rain or various pork diseases such as PMS. We are clean and green and this has great potential as an expanding export market in the decades to come. However no industry can compete with the distinct possibility of unlimited volumes of imports from countries with unbuilt subsidies. President Clinton recently made the observation that the world trade agreements were there to increase access to markets not to impoverish Industries in individual countries. I hope the Productivity Commission sees the sense in allowing some aid to an industry which contributes so much to the economy of South East Queensland.