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To:
The Committee Secretary
Senate Finance Committee
Dept. of the Senate
Parliament House
Canberra ACT.

Thank you for the opportunity to raise my concerns re the misuse of Taxpayer funded projects in the Sustainable Regions & Regional Partnership program.

My specific concern is the recent A2 Milk Marketing debacle when after meetings with Deanne Kelly, \$1.275m was promised to a group of interested Atherton Tableland dairy farmers, Mungali Creek Dairy,(processors) & A2 Marketers Pty. Ltd.. This funding was then withdrawn by John Anderson.

No doubt you are now well aware of the hardship & stress experienced by dairy farmers & their families with the advent of deregulation and the subsequent price wars between processors resulting in unsustainable farm gate milk prices & greater profits for the processors & retailers, more particularly, the main super markets, so it is not surprising that a number of Atherton Tableland dairy farmers strongly supported the concept of another processor coming into play especially as they were being offered 40c—50c / litre; a considerably more generous offer than A.C.F's current price.

Did Anderson & Kelly ever consider the negative effect that withdrawing the funds would have on this area?

A successful outcome for this project would have resulted in:

1. 40 direct employment opportunities in processing & marketing with farmers also making a significant contribution as well. With more money to spend, the flow-on effect would have been felt in the whole community.
2. Some dairy farmers who had exited dairy farming indicated that they would re-enter as A2 suppliers.
3. Renewed confidence for dairy farmers to invest in a dairying future.
4. Providing a more competitive market for their milk.

Instead, Anderson's callous & thoughtless action has denied a reasonable future to a significant number of people.

This whole fiasco raises issues that need truthful answers.

Question 1. Even though the promised funds were subsequently withdrawn, it is patently obvious that the whole exercise was a blatant attempt to pork barrel this electorate in support of the National's candidate James Doyle. Is it legal to use funds from the above mentioned pool for pork barreling? If not, what action can or will be taken against those responsible?

Question 2. A.C.F. were quoted in our local newspaper as welcoming competition yet Deanne Kelly stated on several occasions that there was heavy lobbying against the grant by A.C.F. & others. As Anderson has shown that he can be influenced by Corporate business interests to the detriment of small business it needs to be ascertained whether or not any significant campaign contributions that could have influenced the decision to withdraw the funds had been made by A.C.F. or others.

Question 3. Where do dairy farmers stand in the National Competition Policy? Does the N.C.P. apply only to consumers and processors? Since deregulation, Tableland dairy farmers have been at the mercy of one processor which has used that power unmercifully. Why did these farmers not get the assistance they needed to make their product more competitive by bringing in another processor & marketer. Surely this is partly what the N.C.P. is about.

Question 4. In view of the sloppy way this whole business was handled, is there a risk that processors & retailers may get a message that the government will look favourably on any anti competition acts committed against dairy farmers. The writer of this submission is of the opinion that Anderson has created a warm climate encouraging the formation of processor / retailer cartels.

Question 5 A2 Marketing's pending court case re. their questionable advertising was well known at the time the grant was approved & the subsequent fine should not have made any significant difference to their business however the withdrawing of the grant & the money already spent by A2 on setting up the Atherton Tableland operation was obviously enough to force them out of business. Did John Anderson, Deanne Kelly & James


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Doyle know about A2 Marketing's precarious financial position at the time the grant was approved? Is this a case of duplicity in that they fully intended axing the grant either before the election when they had to concede that they would not be able to topple Bob Katter or after the election when this proved to be so; or was it a case of stupidity in that they were so intent on buying up a few votes that they ignored what would have been glaringly obvious had they taken the time to fully understand all the information available to them from the grant applicants? The whole business smells of dirty politics. For Dairy Farmers Coop this was a tremendous help in getting rid of unwelcome competition.

Question 6 Some farmers spent considerable sums of money on the strength of the promised grant. Deanne Kelly was adamant that the money was available and that we could confidently go ahead with our preparations for supplying A2 milk. One farmer went straight out & spent \$30000. Purchasing A2 positive cows. These people should be compensated for the expense incurred on the strength of a political promise of funds that in hindsight were only ever intended to be used for political purposes.

I hope this submission will help to ensure that funds that have been set aside for special purposes such as the above, will always be used for which they were intended & not to further the political ambitions of some nor to assist larger corporate businesses to further monopolise their interests.

Yours Faithfully,



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