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DAIRYFARMER ORGANISATION AND POLITICS 1949-69

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SUMMARY

This thesis was originally conceived in 1965 as a Master's thesis referring to NSW alone. NSW has been a particularly interesting unit within the Australian dairy industry because the technical differences in the wholemilk and factory sector of the industry were institutionalised in the Sydney Milk Zone and coincided with Country Party strength in the North coast non-Milk Zone area, Liberal and Labor party strength in the Milk Zone areas. Technical innovation in the industry, the conflict with margarine producers, inelastic demand, increasing domestic costs and a considerable labor force, some of which was low-income and ill equipped by training, age and location to adapt to change, as well as the long history of the NSW dairyfarmer organisation, made a study of NSW dairyfarmer organisation a very promising subject. But from 1968 I have had to write the thesis on a broader federal basis, using sources which were available in Adelaide, supplemented by occasional trips to Canberra and Melbourne and one visit only to Brisbane and Sydney.

Three main themes have emerged from the thesis as a federal study. The first is that the technical - or intrinsic - characteristics of the dairying industry have strongly influenced - even determined - dairy farmer group organisation and operation. The perishability of the product, the early and fairly thorough intervention by government authorities in dairy production and sales, on health and public safety grounds, and the role of dairy factories, have directed dairyfarmer organisation into what might be summarised as "typical interest group" operation. The groups are usually interested in narrow, pragmatic policy and technical matters of production, such as penalties for low butter fat as against low milk solids production, in promotion of dairy products and protection of markets, not only against the well-known threats of oil, imported cheese, margarine and Mrs. Jones, but against infringement of State markets by inter-State

dairyfarmers. The groups are little interested in broad questions of tariffs, arbitration court wage awards or international problems. There are few issues which unite the dairyfarmer groups as one group, although the commodity Federal organisation dates back to the 1940's, and is representative of possibly 60% of eligible dairyfarmers.¹ One unifying issue is the Federal Government dairy subsidy, but more important than any contemporary issue to dairyfarmers are the dairy factories and the numerous government institutions and regulations which require strong, reliable and responsible representation so that dairyfarmers can make their complaints promptly to the institution decision-makers (both factory and government decision makers) and protect their "stake in the industry" - or to use a blunter term, their income.

The second theme is that dairyfarmer structures resemble other "interest group" structures in Australia and, less strikingly, the power of pressure groups in the British parliamentary system, although some Australian institutional factors are quite different from British influence, such as the federal structures, primary production for export and consequently, the establishment of a number of boards, committees, corporations and agencies to market and control dairying. In the period this thesis covers, it appears that dairyfarmer groups were more influential through "functional representation" in the Australian cabinet department structure than by the "political representation" in federal parliament, parties - even the Country Party - or the electoral possibilities of dairyfarmer power. Those three "channels of influence" are difficult for groups to use in Britain and in Australia.

The third theme is that organisations within the dairy industry, not usually given much credit for insight and social awareness, have probably been somewhat underestimated. In the period of this thesis, groups of

1. cf. Chapter I for detailed discussion.

producers have played the role asked of them by a long-lived, confident and conservative government and Department of Primary Industry. In a period of social innovation, when groups like dairyfarmers and dairy factories are being asked by government and department to propose and accept change rather faster than conservative governments usually want to move, dairyfarmer organisation might adapt better than some observers expect. I conclude that organisations founded in "chaotic conditions", as the dairyfarmer histories like to define them, which have become respected and integrated into government structures while keeping a high organisational "density" of members during economic stability and subsequent growth, have survived the difficult period of transition from opposition to integration which many pressure groups fail to survive. I do not think that a reform period when dairyfarmers will need higher qualifications, more constant search for improvement in techniques and investment, may even be denied a flat-rate undifferentiated form of government assistance,² will put a greater strain on dairyfarmer organisations than they have already survived. Indeed, I think that greater "professionalism" within the dairyfarming sector of the dairy industry may well suit the dairyfarmer groups better than this period of 1949-69, which has not been an easy twenty years for the industry.

2. As the ALP government has in fact announced that it would do by 1975, after this summary was written.