



Speech by

Hon. KEN HAYWARD

MEMBER FOR KALLANGUR

Hansard 19 November 1998

TARIFF PROTECTION, SUGAR INDUSTRY

Hon. K. W. HAYWARD (Kallangur—ALP) (6.29 p.m.): I rise to support the amendment moved by the Honourable the Minister for Primary Industries. Clearly, the amendment is about maximising the marketing power of Queensland canegrowers and ensuring, in order to maximise those returns, that we urge the Federal Government to advocate in the international trade forums that Queensland be allowed to maintain the single desk for the sale of export sugar.

The Queensland industry has undergone significant change over the past few years. What has been the result of that change? In summary, Australia produces about 4% of the world's sugar, but the Queensland industry is one of the world's largest raw sugar exporters. In Queensland, we export about 86% of our production each year. That amounts to about 15% of the total global free sugar trade in the world. Queensland is normally amongst the top three exporters in the world. To highlight how important the industry is to this State, I point out that sugar is Australia's fourth largest export earning agricultural industry and accounts for about 6.5% of total farm exports and 22% of crop product exports.

We have to recognise that virtually all— and this is why the single desk is so important—Australian raw sugar exports come from Queensland. Asia represents about 65% of export sales. More importantly, in the industry that we are talking about now, by the year 2000 exports will account for over 90% of the output. The central engine of this change is the industry's desire to win globally. It does not matter what we say, because in the end the industry has always recognised that it is about exports. A significant amount of its product is exported. For example, if members took a drive to Gympie, they would notice that sugar is now being grown at Caboolture.

Mr Seeney: All the way to Gympie!

Mr HAYWARD: That is just an example of the expansion of the industry. Sugarcane was not grown previously at Caboolture. It is now grown in Caboolture. Further up the coast, at places such as Kin Kin or, just north of Gympie itself, out near Woombye, sugarcane is being grown. Why are they growing sugarcane? They are not growing it for fun; they are growing it because they can export the product. There is a demand for the product. They do not do it for fun; they know that the export demand is there. Increasingly, more and more areas that were never even considered previously are now being turned into sugarcane-growing areas. Along the coast, growers and millers are determined that Queensland sugar will maintain and improve its position as the leading commodity, not just in Queensland but right around the world.

The review of the sugar industry that was conducted in 1996 recommended a range of reforms that would improve the industry's competitiveness. Crucially, the review working party concluded that the single desk should be retained. That is what the amendment that the Minister has moved tonight is about; it is about ensuring that that single desk is retained.

An excerpt from the report states—

"Having fully considered the benefits and costs of deregulation, the working party recommends the continuation of compulsory acquisition for all raw sugar produced in Queensland."

The significant benefits which flow to the industry and community as a whole result from these arrangements.

Almost all of the other recommendations of the working party have been embodied in the proposed sugar industry legislation that will come into this Parliament next year. As many members would know, that Bill is currently being circulated in the industry for comment. The review working party consists of a number of industry representatives, including the Chairman of the Canegrowers Association, Mr Harry Bonanno, and the chairman of the Milling Council, Graham Davies, from Mackay Sugar. The review's recommendations are about creating a more efficient, flexible and commercially oriented industry, because it is an industry about exports.

Time expired.
