



Speech by

**MIKE REYNOLDS**

**MEMBER FOR TOWNSVILLE**

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Hansard 19 November 1998

**TARIFF PROTECTION, SUGAR INDUSTRY**

**Mr REYNOLDS** (Townsville—ALP) (6.39 p.m.): I speak tonight in favour of the amendment moved by the Minister. I know tonight that, in my capacity as the Parliamentary Secretary to the Premier in north Queensland, I am speaking on behalf of a number of members who would like to contribute to this debate. I refer, of course, to the member for Bundaberg and the members for Mackay, Barron River, Cairns and Cook—the Labor electorates in northern and far-north Queensland that take in the sugar areas.

We live in an increasingly interlinked world economy. The Queensland sugar industry is highly competitive in that world market. Our sugar is high quality and competitively priced. One of the key advantages we possess is the single desk seller: the Queensland Sugar Corporation, or the QSC. The QSC sells all of Queensland's sugar and, as such, it can enter into forward contracts which enable us to get a premium price for our sugar. This delivers tangible benefits for both our growers and our mills.

The removal of the sugar tariff was a trade-off for the retention of the single desk. By raising this issue, the One Nation Party jeopardises our single desk. Many Canberra economic rationalists would like to see the single desk fall. This is because they have a blind adherence to neoclassical economics.

**Mr NELSON:** I rise to a point of order. The member is misleading the House. At no stage has One Nation asked to get rid of single desk selling. He is misleading the House. I ask for that to be withdrawn.

**Mr SPEAKER:** Order! There is no point of order.

**Mr Nelson** interjected.

**Mr SPEAKER:** Order! The member for Tablelands! Those words are unparliamentary and you will withdraw.

**Mr Nelson** interjected.

**Mr REYNOLDS:** It is quite clear that the member for Tablelands does not understand what I am saying.

**Mr NELSON:** I rise to a point of order. I understand completely what the member is saying. I ask for that comment to be withdrawn.

**Mr SPEAKER:** Order! There is no point of order.

**Mr REYNOLDS:** It is quite clear that, in the view of the Canberra economic rationalists, any sort of Government intervention is unsound and disturbs the equilibrium of the market. Commonsense tells us that that is just plain wrong. The single desk is a form of Government intervention that is highly successful. It is not a protectionist measure; it does not disturb trade and it does not impair our efficiency. However, going back to a tariff is not the answer. I know that the member for Lockyer means well but, really, what would a tariff achieve? It would not really help our industry but would actually hurt it. We are now extremely competitive. We can take on the rest of the world and we can win. If we were to bring back the tariff, we would only be shooting ourselves in the foot.

Every member knows that the sugar industry in this State is experiencing hard times. This is a product of a number of factors: low world prices, c.c.s. decline and high rainfall. I know that because I live in north Queensland, and other members of the House know it as well. Nonetheless, a tariff would

only give our international competitors, such as Brazil and the United States, justification to take trade reprisals against us. Honourable members should remember that we are more competitive than they are. They know this. They would love to increase their trade barriers against us. This would suit their purposes. They are constrained, as we are, by the GATT. They need a reason to act, and Australia reimposing a tariff would give this to them. A tariff for sugar is a short-term, short-sighted, self-defeating concept; it is an outdated way of dealing with the problem.

Let me go back and say that the previous coalition Government did very little. The National Party did very little to protect the single desk. It wrote to the coalition Federal Government, but Mr Costello and Mr Anderson did not believe that there was a problem with the Trade Practices Act. They did not believe that there was a need to amend the Trade Practices Act to protect the single desk. I will tell honourable members—they do not like hearing it—why the Federal coalition did not want to act. Mr Costello and his economic rationalist Treasury mandarins would just love to see the collapse of the single desk. With their anti-Government ideology and their free market, Thatcherite ideology, they wanted to see the demise of this great scheme which benefits the sugar industry in Queensland so much. So they said that there was not a problem. The National Party coalition Government bought it. Why do honourable members think that they have lost all those sugar seats? Because they did not care and they did not understand the issue!

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