



Speech by

**Dr PETER PRENZLER**

**MEMBER FOR LOCKYER**

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Hansard 19 November 1998

**TARIFF PROTECTION, SUGAR INDUSTRY**

**Dr PRENZLER** (Lockyer—ONP) (5.58 p.m.): I move—

"That this Parliament press the Federal Government to re-introduce some degree of tariff protection for the sugar industry to provide a more secure future for growers and farm workers."

I will now speak in support of the motion that this Parliament should exert pressure on the Federal Government to reinstate the sugar tariff, or at least some degree of protection for that important industry. The decision to drop the sugar tariff was made by the Sugar Industry Review Working Party in order to comply with the National Competition Policy directives and, it would appear, in defiance of the majority of submissions made to the review party by sugar industry organisations. The issue of whether to scrap the sugar tariff also became entangled somehow with the retention of the single desk selling arrangement, with the eventual result that farmers and producers were presented with the option of either scrapping the tariff or doing away with single desk selling. Both of these options were highly undesirable to canefarmers, but the Federal Government ignored their requests—as is normal practice these days—and pressed on.

The National Competition Policy and those who enforce it are rapidly becoming despised and loathed by many of the sections of society damaged by it. Let us examine the views of one of the various industry groups regarding the abolition of the tariff. The Australian Cane Farmers Association said that the removal of the sugar tariff was unnecessary as Australia had more than satisfied the requirements of the World Trade Organisation. The association also noted that the removal of the tariff would cost canefarmers about \$30m per year. That would reach \$100m as a result of the multiplier effect.

Why did Canberra single out canefarmers for a tariff reduction, when the car industry escaped, and the textile, clothing and footwear industry won a reprieve? The removal of the sugar tariff has hurt the canefarmers, and it has not helped consumers of sugar or sugar products either. The whole idea of the National Competition Policy is to deliver efficiencies that will result in cheaper prices to the consumers. This is not happening. The retail price of sweets, soft drinks and other products derived from sugar have, if anything, increased since the tariffs have been removed. If there has been any benefit from the reduction in the price of raw sugar, it has gone straight into the pockets of the processors, distributors and supermarkets. It has certainly not gone into the pockets of canegrowers or consumers.

By removing the sugar tariff, the Federal Government has cut about \$20m per year from Queensland canefarmers—or about \$3,000 on average per year for every canegrower in the State—and handed most of that money to the mostly foreign-owned sugar refineries and the multinational beverage and confectionary industry. That money, which may not seem very much, is, in fact, very significant when it is no longer circulating in country Queensland where it is so badly needed to stimulate our economy and to create more jobs, jobs, jobs. What has Queensland gained in return for the canegrowers' sacrifice? Is sugar any cheaper? The answer is no. The only obvious beneficiary of the tariff abolition is the almost 100% foreign-owned beverage and confectionary industry that has failed to pass any of its windfalls on to consumers.

Canberra has taken \$3,000 per year away from our farmers and given it to multinational companies. Where is the logic in that? The proponents of free trade have never concerned themselves with logic or reality. They inhabit a fairyland of mad textbook theories. They could not care less about the canefarmers or anyone else in the bush. They have no concern at all for whole communities, such as many in north Queensland, which are almost totally dependent upon the sugar industry.

In conclusion, I will paraphrase part of the submission of Sugar North Limited to a recent Senate committee on the effect of the removal of the sugar tariff on canefarmers. They concluded that there is no real benefit in removing the sugar tariff. In the longer term, if there is a multilateral reduction in tariff barriers and everyone is playing on a level playing field, we have no problem at all with the removal of the tariff. However, we believe that Australia is moving down a path towards the removal of all trade barriers. That is weakening our international position. I refer members to an old saying: "Your mind is like a parachute; it works better when it is open." It is high time that all Queensland politicians, both State and Federal, opened their minds and divested themselves of this cult-like obsession with free trade and took a good, hard, long look at the permanent damage being done to Queensland industries and Queensland farmers, including our canefarmers.

Australia is fast becoming the international soft touch of world trade. We have some of the best quality, cleanest and most wholesome primary products in the world. They are competitively priced. Our trading partners are buying them because they want them, not because they think we are wonderful people. It is time we took a tougher negotiating stance. It is time we sought to provide a decent standard of living for our primary producers, including canegrowers. In light of this House's historic and unanimous support last week of the One Nation motion to condemn the National Competition Policy and the fact that the slashing of the sugar tariff emanated from the National Competition Policy, I would expect the members present again to support this most worthy motion.

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