



Speech by

**JEFF KNUTH**

**MEMBER FOR BURDEKIN**

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Hansard 26 October 1999

### **SUGAR INDUSTRY BILL**

**Mr KNUTH** (Burdekin—IND) (3.57 p.m.): I rise today to speak on the Sugar Industry Bill 1999, which I consider to be totally biased—even to the point of being corruptible—in the fact that there seems to have been unseen outside influence in its manufacture and inconsistency in that it does not comply with a broad spectrum of national competition guidelines. Even blind Freddy can see that CSR has done a deal with the Queensland Government to make sure that big business and multinationals once again are assured that the competition policy will not encroach on its chances of making big dollars at the expense of battlers.

This Bill, under competition guidelines, cannot be binding. It seems that the minority vested interest groups which so heavily dominate and control the sugar industry in Queensland are prepared to sacrifice not only the interests of the vast majority of Queensland canegrowers but the interests of Queensland's population as a whole in their determination to preserve their own privilege and their financial rewarding positions within the sugar industry. In this, they are aided and abetted—to a degree which verges on the side of recklessness—by the Minister for Primary Industries and the Beattie Labor Government. No other explanation will serve to account for the actions of the Minister and his introduction into Parliament of the Sugar Industry Bill 1999 and his proposed introduction of the primary industries bodies reform Bill 1999, due to be presented this week. I believe that some changes have been made towards the transfer of assets. However, I am yet to be convinced on the success of these changes, and I will speak on this after thorough consultation with local growers.

One could be forgiven for concluding that the Minister has never read the sugar industry section of the NCC second tranche assessment of States and Territories with regard to implementing National Competition Policy and related reforms which was released in June of this year. Had the Minister done so, he would have been more aware of how perilously close Queensland is, under the sugar industry's present legislative set-up, to having hundreds of millions of dollars worth of Federal funding withdrawn under the NCC's third tranche. This money will be payable to Queensland provided that the Government honours its commitments under National Competition Policy.

Instead of acting upon the warning contained in the second tranche assessment to free up and liberalise the muddled regulations which characterise the sugar industry in Queensland at present, the Minister and his Government appear to be intent on adopting a confrontationist approach to the Commonwealth over sugar industry issues, no matter who gets hurt in the process. The people who will suffer most will be the ordinary men and women of Queensland.

The payment of the third tranche of NCC payments, which are due in the year 2001-02, will be dependent upon Queensland giving full effect to the National Competition Policy's intergovernmental agreements. So what did the Minister do? He introduced into Parliament the Sugar Industry Bill 1999 which contains no fewer than 27 provisions which are admitted within the Bill itself to be contrary to the National Competition Policy's intergovernmental agreements.

Since the introduction of the Bill, the Minister has announced that some of its provisions are to be amended but, incredibly, those amendments do not include the dropping of the provisions which offend against the National Competition Policy and which are likely to cost the people of Queensland hundreds of millions of dollars in lost Commonwealth payments. Thus, with one stroke, the Minister not

only disadvantages in the most serious way the ordinary canegrowers of Queensland, but threatens the existence and progress of many of Queensland's schools, hospitals and law enforcement services.

The Minister may say that he has no responsibilities in these areas. The people of Queensland will say that he has achieved heights of irresponsibility seldom seen in a Minister of the Crown. Not content with having nailed down the lid of the coffin of Queensland's prospects of obtaining competition policy funds, the Minister now propose to bury such prospects as deep as is ministerially possible.

The Minister's primary industries bodies reform Bill 1999 is still to see the light of day, being due to be presented to the House this week. Under this Bill, the Minister proposes, in the case of the sugar industry, to abolish the Queensland Canegrowers Council, the district canegrowers executives and the mill suppliers committees. In their place he intends that there shall be one private corporation which will hold all the assets so painfully acquired over many years by the various executives and committees. However, the Minister intends to legislate that all canegrowers will compulsorily be members of the new private corporation, thereby introducing into Queensland for the first time ever the discredited principle of civil conscription.

The current provisions of the Primary Producers' Organisation and Marketing Act provide that, upon the dissolution of the council and similar bodies, the excess of assets over liabilities of the body is to be distributed in accordance with regulations made in that regard. Canegrowers have always been assured that, upon the dissolution of their own organisation, the regulations would provide that the moneys to be distributed would be paid to those who had paid levies to the organisation. They would be paid on a fair basis which would be set out in the regulations. None of this is now to happen.

Growers are to be conscripted into a private organisation which is to own all the assets of the old body as well as those of the executive and the committees. Neither the growers nor the Government will have any say as to the new organisation's contribution as the Government's only action will be to abolish the old organisation, to make membership of the new private organisation compulsory for growers and to transfer the property of the old organisation to the new one.

It is proposed that the new organisation will be a company limited by guarantee. That means that each conscripted member will be liable to pay to the new organisation whatever sum of money is set for him by those who draw up the constitution of the new company. As if all of this were not bad enough, the Bill to be introduced by the Minister to accomplish this will itself offend against the principles of the National Competition Policy and result in Queenslanders being deprived of hundreds of millions of dollars.

The principles of the National Competition Policy clearly establish that the provision of services—in this case, economic and other services—should be made in a competitive environment. In other words, any organisation, either existing or yet to come into existence and which intends to provide services to canegrowers, is entitled to have the Government refrain from assisting one such organisation to the detriment of the other. The anti-competitive assistance to be provided by the Government under the present proposal is simply legislating in favour of one private organisation so as to prevent other organisations, which many growers might prefer to have acting for them, from competing in the field for the provision of services to growers.

Competing organisations which could offer cheaper services to growers will have no chance to do so in circumstances where the growers will have no choice as to where to spend their hard-to-get dollars on grower services until, inevitably, the National Competition Council forces the Minister to see the light by depriving Queenslanders of hundreds of millions of desperately needed dollars which would otherwise be payable to the State in the third tranche.

It seems that every section of the economy in Queensland, other than certain minority vested interests in the sugar industry, will have undergone the rigours of the competition policy and suffered losses on that account for nothing. The rules of the National Competition Policy are quite clear and the consequence of breaking them will be the loss of jobs and the reduction of services in the major public sectors of Queensland, namely, health, education and law enforcement.

The average Queenslanders is not likely to forget—

**A Government member** interjected.

**Mr KNUTH:** Don't worry, buddy, I will be showing your speech to the mill workers. The public's impression will be that the whole of the sugar industry should be held accountable for this most unnecessary debacle. The Queensland public may then ask the question as to whether the sugar industry in Queensland is worth the price, both in the amount of Commonwealth money that will be forgone and in the cost of compliance with the National Competition Policy.

The Minister's actions in this matter are reported to be based on his receipt of legal advice—probably correct—that the present levy system is illegal, and has been illegal for many years. The sugar industry in New South Wales has existed for its entire and successful history under a system

of voluntary agreements and arrangements. The growers receive their services from various organisations which are always called upon to prove themselves capable of the task at hand.

The Minister would not be acting in other than a responsible manner if he were to use the legislative powers of Parliament to follow the proven precedent in New South Wales and to legislate to simply refund the assets of all organisations to the canegrowers who had contributed to them. The growers, should they wish to do so, should then be permitted to form their own voluntary organisations— particularly at a local level—to provide such services as they require.

The requirements of the National Competition Policy would thereby be served and growers organisations would be revitalised by members who had control of and a say in their own destiny, unhampered by a plethora of regulations. I have no doubt that the Sugar Industry Bill is totally biased against the cane farmer.

**Mr Mickel:** So you support the Canegrowers organisation?

**Mr KNUTH:** I agree with cane farmers organisations, but the Canegrowers organisation does not necessarily listen to its own members in electorates along the east coast. I have taken advice from my own Canegrowers groups and they are not in favour of this Bill. If they are not in favour of this Bill, they have many problems. Why is this Bill being rushed through Parliament? It is being rushed through Parliament because the Labor Government does not care. It knows that sooner or later the conservative Government at the Federal level is going to withdraw the money that is due to Queensland. They will get their mate, "Bucket" Beazley, to say that John Howard is destroying Queensland by not giving us the money that was promised to us under the competition policy. The Beattie Government will then attack the Federal Government and say, "Look at what the Federal Government is doing to our canegrowers!"

We should let the media know that this competition policy was introduced by the Labor Government. The Federal conservative Government stupidly took it up. Canegrowers are now paying the price. They will suffer under the competition policy guidelines. I will let my constituents and the other members in this Chamber know that I am totally against competition policy. However, if it is there, it has to be fair to the farmers as well as to the millers. It has to apply to both sections of the industry; it cannot just be in favour of a miller.

**Mr Mickel** interjected.

**Mr KNUTH:** The member is a globalist. I am more Labor than he is. I do not know why he sits opposite. He is a Tory. He should stand for the Senate for the Liberal Party, because he is just a globalist.

**Mr Lucas:** That's an outrageous assertion.

**Mr KNUTH:** It is not outrageous; it is a fact. The member should read the speech that the member for Logan made.

**Mr Mickel** interjected.

**Mr DEPUTY SPEAKER** (Mr D'Arcy): Order! I ask the member for Logan to interject from his correct seat.

**Mr KNUTH:** The member sits there and interjects.

**An Opposition member:** He is the chairman of Tate and Lyle.

**Mr KNUTH:** He could be the chairman of Tate and Lyle—I do not know. I will stand up for the canefarmers in my electorate, because they are not in favour of this Bill. If this Bill is passed today by this Chamber, it will not work in the interests of the majority of the canefarmers in north Queensland. This Bill backs the multinationals; the member's mate backs the multinationals. This is today's Labor. I would have liked the old Labor politicians of 40 years or 50 years ago to have been able to listen to the member's speech. If they had, they would have turned in their graves.

I will not back this Bill. I say on the Hansard record to my constituents that I will not back this Bill. It is a multinational, one-sided millers' Bill.

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