



Speech by

Mr M. ROWELL

MEMBER FOR HINCHINBROOK

Hansard 26 October 1999

SUGAR INDUSTRY BILL

Mr ROWELL (Hinchinbrook—NPA) (2.35 p.m.), continuing: The sugar industry focuses on commercial decisions. The Queensland industry is a robust industry made up of achievers. It has led the world with change. Back in the late sixties, it realised it had no alternative but to address mechanisation. The level of migration from Europe was drying up, and there was no alternative but to develop a mechanical cane harvesting system to remove the crop.

Farming is never straightforward. Seasonal conditions vary so much and can impact in many ways on farmers' income. At present, the Moreton and Rocky Point areas are experiencing similar weather conditions to those experienced in north Queensland last season. It is hoped that this legislation does not unduly affect them, as it may be the end of the year before they are able to remove the crop. If there is any mechanism that needs to be considered so far as a repeal of the legislation is concerned, and it can be deferred, this should happen to alleviate any concern that those mills might have because of their very tenuous situation in trying to remove that crop.

The far-north Queensland area suffered as a result of the extreme wet weather last year. Many mills now have almost completed their crushing. The light crop will impact on the towns as mill workers get paid off and the disposable income from the growing industry becomes scant. There are many areas right throughout the north that are going to experience this in the very near future.

The low world price has impacted heavily on the returns to farmers and millers, restricting a range of expenditure on maintenance and improvements. I recognise that this region was facing difficulties over the past few seasons, when world prices were reasonably high. But nobody would have envisaged the rapid demise of the industry income during this last season. We have had the combination of a shocking 1998 crushing season, with cane left for standover because it was low in sugar content, and wet weather, which made it impossible to harvest the crop. Then we had the substantial drop in world price, which is below the cost of production for some mill areas.

The Government, after taking the initiative from the coalition, indicated that it would address the low sugar content issue and the reduction in returns from that group of growers in far-north Queensland. But in accordance with what I have heard, unfortunately, not a great deal has occurred. I make a request to the Minister to ensure that the commitment made is realised.

Both mills and growers will face a difficult period if the returns do not improve. There is nothing that they can do with low world prices. The industry is a price taker; it is not a price maker. Many farms are small and landlocked. If they wanted to increase their production and stay competitive, they often had to go outside their district to remain viable. This is fraught with problems, because they find that they have to take their equipment from point A to point B, sometimes along highways. And of course, the cost of registration of vehicles and the time involved in transport is quite prohibitive for those people who are in that particular situation. Today in the Courier-Mail, concern was expressed within the industry—

Time expired.
