



Speech by

Hon. RUSSELL COOPER

MEMBER FOR CROWS NEST

Hansard 9 March 1999

SUGAR, BANANA AND PAWPAW INDUSTRIES

Hon. T. R. COOPER (Crows Nest—NPA) (12.09 p.m.): Queensland's \$2.2 billion sugar industry is in dire straits. In just over 12 months, world sugar prices have collapsed due to the 50% currency devaluation in Brazil, the world's biggest sugar producer and exporter. The New York futures contracts have fallen to US5.7c a pound from an average of US8.7c a pound in 1998 and US12.1c a pound in 1997. The price collapse comes on the back of extensive damage as a result of Cyclone Rona, Cyclone Sid and Cyclone Justin. Last year, Cyclone Sid hit the Ingham, Tully and Townsville areas very hard and Cyclone Justin hit Innisfail very hard, causing enormous damage. Of course, Cyclone Rona has caused damage on top of that.

The article by Gordon Collie in today's Courier-Mail about the sugar industry is commendable. It is the sort of publicity that is needed for these industries that have been hit and hit hard so that the State and the nation can know that there is a problem of major proportions in the north of this State. There should be more coverage about these issues. Canegrowers in the far north have also endured declining commercial sugar content levels, which have slashed growers' viability. The industry estimates losses of the order of \$200m from weather damage and low sugar content. With the price downturn, those losses are estimated at \$500m this year. Sugarcane is Queensland's most significant primary industry, worth some \$2.2 billion, supporting some 6,500 canefarmers, most of whom are family farmers, and providing over 20,000 jobs. The slump will have a huge negative impact on the viability of those family farms, those jobs and, of course, the Queensland economy as well.

It is not only that the sugarcane industry has been hit and hit hard over the past two or three years, but also the banana industry. This year, the banana industry is valued at about \$160m. The losses for that industry alone are \$100m. The pawpaw industry has also suffered losses of about \$10m. Those farmers have suffered from three cyclones and price downturns over three years. As a result of all of those losses, we should look at the issue of crop insurance—that old thing again. The State Government charges 8.5% stamp duty on crop insurance. As an example, one farmer paid a \$30,000 premium on crop insurance for banana losses. The State Government's cop out of that is \$2,550—8.5%. The New South Wales Government charges only 2.5% and the Victorian Government charges virtually nothing at all. The Borbidge Government abolished stamp duty on crop insurance and the Beattie Government put it back. I know that we have talked a lot about this issue, but we are going to keep on talking about it until it is gone. Although people may think, "What is \$2,550 out of a \$30,000 premium?" I can say that to any farmer, be they banana growers, pawpaw growers, or sugarcane growers—it does not matter what—\$2,500 is a lot of money. It sends a message to them that the Government does not care about them, whereas when they are in such dire straits they should be getting the message that the Government does care and will do something about it.

I worry also about the effect that the 13-year low in the price of sugar is having on the Queensland economy. To its credit, the sugar industry hedged its sales from last year to this year, so it was able to take advantage of higher sugar prices through some risk management, for which it should be commended. However, with the price now having dropped to such a low, there is not much that the industry can do about it and the growers are going to feel it. The member for Hinchinbrook, Mr Rowell, has made very strong representations to both the Leader of the Opposition, Mr Borbidge, and me. To that end, we will be again touring the area right throughout the north. We will be talking not only to all of those people who have been hurt but also to people in small business, the local authorities, big

business and the various groups and organisations. Most certainly, we will be talking to those family farmers on the ground who have been hurt and hurt hard. I commend the member for Hinchinbrook for his representations. Obviously, it is a massive part of the State and it is of major importance. Quite often, people in that area feel cut off from the south—be it the south of the State or the south of the nation. We must maintain the links that we have with the northerners to make sure that they are included.

I believe that we are looking at a major natural disaster. It did not spring up overnight. Apart from the natural disasters caused by the cyclones, the 50% currency devaluation by Brazil, which is the largest sugar producing nation in the world, has had a massive effect on prices. Therefore, we have a crisis that I believe involves all Governments, local, State, and national. I do not want to hear any more talk from the Government in this State or anyone else making excuses and saying that the Government in Canberra should do more. All Governments can do more. As the Government of the day, the members opposite should show us a strategy—a policy and a full rescue package—that outlines fully what is going to be done for those growers so that they know what sort of support they might be in line to receive.

Apart from abolishing the 8.5% stamp duty, which should be a fait accompli, I believe that the State Government should also consider providing rates relief for those people, especially those in the Johnstone Shire but also for those in other shires as well who, even last year, could not pay their rates. Those people could not pay their rates then, so I cannot see how they are going to pay them now they are in an even worse situation. So rates relief is something that I believe can go on the list of what the State Government can do. We also need to get away from this business of saying, "They can just apply through QRAA for a loan." The Minister knows and I know only too well that anyone applying for a QRAA loan cannot fit within the guidelines.

Mr McGrady interjected.

Mr COOPER: I am not talking about me, I am talking about the growers in north Queensland and those other people in the south-west of this State—people who have been hit hard: grain growers, banana growers, pawpaw growers, horticulturalists and sugarcane growers. It does not matter who they are; I am talking about people who have been hard hit by things that the member cannot understand. That is the problem.

Mr McGrady interjected.

Mr COOPER: No, he does not. That is the problem. That is why those people are not receiving any help from the Government, because it does not know what to do or how to do it. I am telling the members opposite what to do and how to do it so that those people can be helped. Whether the Government members like those people or not—and they do not like them—they are still human beings, they are still productive people and can be and will be productive in the future. The main thing is that we maintain them.

I return to the loans. The fact is that those people cannot fit within the guidelines. QRAA says either, "No, you are not viable. Therefore, you do not qualify", or, "No, you are too viable. Therefore you do not qualify."

Mr Musgrove interjected.

Mr COOPER: That character opposite—God knows what electorate he is from—is so insignificant that he does not really matter. The fact that he is from the city indicates how hopelessly ignorant he is on such an issue.

Mr DEPUTY SPEAKER (Mr D'Arcy): Order! The honourable member for Springwood should not interject from other than his correct seat.

Mr COOPER: All that members opposite can do is disparage and rubbish the people of north Queensland, particularly in their hour of need. I am going to continue to support those people in their hour of need and spell out their needs very, very clearly. I am saying that there is a national crisis in the making, because those people up there have suffered for up to three years now through no fault of their own. They have tried risk management—they tried all of those various methods for which they should be commended—and after one natural disaster after another they are in trouble. There has to be a coming together of the Federal and State Governments so that a strategy can be devised that will rescue these people. In time, those people always come back and pay their taxes. Time and time again, that has been proven.

Mr Pitt: You raised a very serious point before about the crop losses the banana industry has had. I spoke to some banana growers and they've suggested that perhaps with the labour-intensive nature of the industry—

Mr COOPER: This is a long interjection. I have only one minute to go.

Mr Pitt: It is very important.

Mr COOPER: I know that the industry is very important. That is why I am speaking out in favour of it. I dare say that the member has also done plenty of talking about it. However, I doubt that his Government is doing nearly enough for those industries. We need to make sure that we focus our attention Statewide and nationally on those people who are now suffering enormously, as I said, through no fault of their own. There has to be a coming together of the Governments. We cannot continue with the rhetoric that we hear constantly from members opposite about what other Governments should do. We should be spelling out clearly what the State Government can do. I have spelled out three points.

A Government member: What did you do?

Mr COOPER: Every time these situations occurred, the previous Government acted. I am telling the members opposite what they can do. They can start by abolishing stamp duty on crop insurance. The previous Government did that; the current Government put it back. That is just one thing. The Government can offer rates relief for those people who are in dire trouble. There are many, many things that the Government can do.

Time expired.
