



Speech by

SHAUN NELSON

MEMBER FOR TABLELANDS

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SUGAR INDUSTRY BILL

Mr NELSON (Tablelands—IND) (3.21 p.m.): The tablelands is an incredibly diverse agricultural area. We grow everything from tea, coffee, milk, cheese, sugar, mangoes, beef and red claw. You name it, we grow it.

An honourable member: Lychees.

Mr NELSON: Lychees—everything. I dare say it is the most diverse agricultural area in Australia.

Mr Lucas interjected.

Mr NELSON: They do grow cheese; cows make cheese; it is growing. The point remains that we have a large agricultural area. Any Bill that deals with agriculture or agricultural issues will affect the tablelands in some way. The Sugar Industry Bill is not without its influence. The sugar industry is relatively new to the Tablelands. Recently, the tablelands mill was opened, at which the Minister and the Premier attended. That was a very important step towards the sugar industry and sugar in general being a viable resource for this State well into the future. Again, I stress that this is a very new industry to me. I am not a canefarmer, nor have I ever been one. As I said, the sugar industry is a very new industry on the tablelands. I have been taking a lot of my lead from the industry heads on the tablelands.

Honourable members interjected.

Madam DEPUTY SPEAKER (Dr Clark): Order! There is too much audible conversation in the Chamber.

Mr NELSON: I have also been speaking to canefarmers in particular. It has been very encouraging to hear some of the speeches in the House today. Although I have had only a short amount of time to go through the amendments and I have not gone through them in incredible detail, I am encouraged by some of the directions taken in those amendments and I certainly look forward to going through them in a little more detail at the Committee stage.

Some concerns still remain. My concerns are specifically related to the tablelands area and its supply of sugarcane—the raw product—for crushing at the Mossman mill in particular and, to a lesser extent, the South Johnstone mill. At the moment, as I said, we have the tablelands mill situated just outside of Mareeba. Cane trucks will go past that mill to deliver cane to the Mossman mill, because the canefarmers have entered into an agreement with the Mossman mill. Although I do not have the exact figures, in some cases it is costing canefarmers on the tablelands around \$2m per annum to supply that mill at a much lower price. This brings in the transferability issue. As I said, this is very specific to the tablelands. One farmer in particular—and again I do not have the exact figures—said that there was about a \$17,000 difference in the same tonnage of cane supplied to the Mossman mill and the tablelands mill, as he had two supply contracts. As honourable members can imagine, that is a large amount of money when dealing with small tonnages. The issue with respect to supply is that, as far as many farmers on the tablelands and I are concerned, the Mossman mill is not being competitive. This links to the issue of transferability.

I am told that transferability as an issue across the State would have very big ramifications, for example, in the Bundaberg area. I do not want to take away jobs from anyone in this State. My main concern is that, if a mill would be in danger of closing because of transferability and if farmers could take their contracts elsewhere and get a better price, that mill is doing something wrong and it would

probably end up closing, anyway, because its farmers will go bankrupt and will not be able to supply it with cane in the long run. Again, I do not want to see the Mossman mill close. The tablelands supplies a third of Mossman's raw product and about 45% of its sugar, based on the content of the cane. I do not want to see the Mossman mill close, but there are a few things that I do want to see. At the moment there is no tablelands representative on the board for the Mossman mill, yet we supply a third of its cane and 45% of its sugar output, which makes the farmers of the tablelands a very important asset to the Mossman mill. As I said, there is no representation of tablelands farmers on the board. That links with the issue that I spoke about before. These farmers want to renegotiate a supply contract, but they are locked in. There is no transferability of which I know. That is what they are telling me.

Again, I do not want to repeat too much of what other members have stated. As I said, the speeches given in this House today and during the last session have been very encouraging and the issue is being addressed in the right manner. However, mill-owned cane is a very significant issue. I know that the Minister is looking at the issue and I know that other honourable members have also raised it. I am raising the issue again; it needs to be addressed at a high level. Rightly or wrongly, the National Competition Policy impacts on the whole process of farmers supplying a raw product to a mill. If a mill has the right to own its own cane supply, it can push out the small farmers. We would not like to see a mill removing any competition by supplying itself with cane.

Another issue that is specific to the tablelands is the right to purchase water. At the moment, water resources is a very big issue on the agenda. Soon we might see a decoupling of water from the land, which means that a mill could purchase water—and I am working merely on theory—and have water contracts supplying its own cane. If we wanted to grow sugarcane, we might then have to go to the mill to get our water. That is not something that I would like to see occurring. At the moment that does not happen, but given the proposed water resources amendments it could possibly become an issue in the future. Mill-owned cane is an issue that has to be addressed. Again, I will be looking forward to addressing the issue at the Committee stage.

Another issue raised with me by one of my constituents was that we have the dairy industry going through deregulation against its will and now we have the sugar industry going through regulation, although that might not be against its will. It seems to be a topsy-turvy world on the tablelands. In Mareeba, people speak to me about the regulation of the sugar industry. When I go to Malanda, people talk to me about the deregulation of the dairy industry. It is confusing. I have to go from saying at one meeting, "Deregulation of the milk and cheese industries is not what we would like on the tablelands", to saying at a meeting in Mareeba, "People are supporting the regulation of the sugar industry." We live in a mad world.

Another question put to me is: what public benefits have been highlighted to gain exemptions? A lot of people are asking what public benefits there will be in the long run if a mill can supply its own cane and put small farmers or family-owned farms out of business?

At the risk of going on for too long, in summing up I will shadow the words of the member for Burnett. If the Canegrowers association gets dismantled in the long run, to me it seems like a sort of a union-busting exercise. The workers in the mills have the unions to look after them against the mill operators while canegrowers, contrary to many people's belief, are not multimillionaires who can go around hiring and firing solicitors and lawyers to protect their interests against multinational corporations and against the general day-to-day runnings of the mill. They are ultimately affected. They have a raw product that needs to go through a value-adding process. If they do not have a conglomerated voice against the larger groups within the industry like CSR and Bundaberg Sugar, ultimately they will be relegated to the backbenches and will not be able to fight.

I say to the members of the Australian Labor Party here today: look at it from that point of view. It is almost as if the Canegrowers association is a union for the people who grow. If they take that away from them, they are robbing them of their right to have some legitimate bulwark against multinational corporations and big industry. Growers do not work on a massive profit margin. They do not have lots of money to throw around. They are effectively workers working their own land and they should not be penalised because of that.

Many canegrowers where I come from think that the Canegrowers association has not done the right thing by them. But ultimately people do need that sort of representation if they are going to play in the big game, which is what we are talking about here, and especially when we are talking about transnational corporations that have an abundance of money and have the ability to fight and win large battles and get their own way in the long run.

In summing up, I say that I look forward to the Committee stage. I am going to sit down and go through the Bill and listen to the arguments for and against it. I believe that the Minister has listened to some of the concerns and has certainly addressed some of the issues. I would like to state once more that the issues I have with the Mossman mill are very much related to the Tablelands. It is an issue which I think will be ongoing as tableland farmers seek to utilise the new tableland mill more effectively

to get their product out at a better price. Ultimately, that is what we are talking about here: the ability to make more money and the ability to generate more wealth in an industry area that is incredibly diverse and has been working very well for many years.

I have one more point to make in relation to water. For the sugar industry to advance on the tableland, it needs water—and it was very encouraging to see in the Cairns Post very recently an article about the Nulinga dam. We do need that dam. I know that members on the other side of the Chamber agree. Cairns is an incredibly rapidly growing area. It still is.

Dr Clark interjected.

Mr NELSON: The member for Barron River certainly knows what I am talking about. I must applaud the member for Barron River. She has come up to my electorate many times and spoken to farmers in the area. They are very grateful that she has taken the time to do so.

I must say that that water issue there on the tableland—the building of the Nulinga dam—is of the utmost importance. I know that in this day and age we are partially against the building of dams. However, it is an issue not just for farmers on the tableland; it is an issue tied to the growth of Cairns and the Tinaroo Falls Dam being looked at as a possible natural supply point for water for Cairns down the Barron River. Eventually we are going to have to look at the issue of the sustainability of water supply to the MDIA. As far as I and up to 95% of irrigators and others who live on the tableland are concerned, that can be done only through Nulinga.

It is very important that the Minister takes into consideration at the moment the issues surrounding—and I am not sure if it is DPI or DNR I am talking to here—the tea-tree farmers and the fact that land has just gone up for auction. I am talking about the land actually contained within the Nulinga catchment. Now would be a perfect time to grab hold of that land so that we can have a bargaining chip in building that dam.

This industry will grow and will be very profitable in the near future, especially if the Federal Government has its way and puts that five kilometre environmental strip down the coast. We are going to have to look for somewhere to grow more sugarcane. There are arable plains in Dimbulah and Mareeba that are currently waiting for sugar supply contracts. Ultimately, with the flow-on effect, I think this Government would do itself a world of good not only in the Cairns area but also in the tableland area by looking very closely at this. I am encouraged by what I saw in the paper just recently that the Mayor of Mareeba and the member for Barron River were looking very closely at the issues surrounding Nulinga as opposed to the other issues that have been put up.

Dr Clark interjected.

Mr NELSON: I accept the interjection from the member for Barron River. She raises a very valid point about the Cairns Post. I honestly believe that the editor of the Cairns Post must be an undiagnosed schizophrenic—

Opposition members: Oh!

Mr NELSON: The Cairns Post has never done me any favours. I must say that the editorials in the Cairns Post certainly show that in some cases—not all cases—the editor does not know what he is talking about.

Dr Clark interjected.

Mr NELSON: I have no problem going up against the Cairns Post.

I return to the Bill. That Nulinga dam would supply the extra water needs for the tableland and, in particular, the MDIA. It would address a whole list of concerns and, ultimately, it would guarantee water supply for the Cairns, Barron River and Mulgrave areas. I think it is a very important subject. It should go beyond party politics. It should go beyond everything and be looked at from a State development level to, as I said, guarantee supply for the growing of sugarcane and other products in the MDIA and guarantee water for Cairns. On that note, I would like to say that I will be looking forward to the Committee stage.
