



Speech by

Mr T. MALONE

MEMBER FOR MIRANI

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PRIMARY INDUSTRIES LEGISLATION AMENDMENT BILL

Mr MALONE (Mirani—NPA) (11.39 a.m.): I take great pleasure in speaking to the Primary Industry Legislation Amendment Bill 1999. While the Opposition has offered general support for this Bill, there are some points I will make.

First, I refer to the amendments to the Fisheries Act 1994. As my colleague the member for Crows Nest has explained, the Opposition supports the sentiment behind the not insignificant increase in penalties and other measures to better protect mangroves and coastal ecosystems. Aside from the obvious environmental attributes of these communities, they are also extremely valuable to the fishing industry as breeding or spawning sanctuaries for a wide range of marine species.

Relative to the penalties for offences such as taking illegal-sized fish, the penalties for destroying fish habitat have been inadequate. These amendments will no doubt raise the profile of the need to maintain fish habitats as an issue and will act as a very clear deterrent against unlawful destruction of mangroves and marine plants. That is good.

However, I emphasise to the Minister the need to ensure that necessary and legitimate removal or pruning of mangroves and other marine plants can continue to be carried out and, importantly, can continue to be carried out in a timely fashion. Whether we like it or not, it is necessary to remove or prune marine plants, just as it is necessary to remove or prune plants in our own backyards or back paddocks.

Many cane growing areas abut the coast and it is not unusual to see mangroves growing in drainage ditches only a matter of metres from a cane paddock. Mangroves are a particularly vigorous plant and in these coastal areas mangrove incursion into farmland, draining ditches and the like can present a real problem for canefarmers. While there is a permit system in place, I am aware that the process for the awarding of such permits has sometimes been a very time consuming and frustrating one for the farmer. I have heard of instances in the past where contour walls have burst and in fixing the problem before the cane field is inundated with salt water the farmer has potentially been left liable for damage to mangroves. Clearly, this is a situation in which commonsense should prevail.

I note that the Minister's department is working with Canegrowers to streamline the permit process, and I welcome that, but I reiterate the calls by the member for Crows Nest for the Minister to personally ensure that the permit process for legitimate and necessary clearing or pruning is streamlined and that the costs are kept to prudent levels. As with most things in this world, it is important to keep a balance. I acknowledge and support the need to preserve marine plant systems, but these amendments should not herald another baseless attack on the sugar industry as we have already seen from the Minister for Environment and Natural Resources.

Queensland Fruit and Vegetable Growers, like all farm organisations, performs a very valuable role in representing the interests of growers. Horticultural industries encompass literally hundreds of products and have evolved quite rapidly in recent years. In a few short years, and with some support from Government for the provision of additional reliable water supplies, they may well become Queensland's largest primary industry.

Water is the single biggest issue throughout regional Queensland, and the Beattie Government's freeze on water will go down in the history books as one of the greatest impediments to

the continued growth of primary industries such as the fruit and vegetable industry. Just as the Government is holding back on the expansion of these industries, it is holding back on the creation of new jobs, the opening of export markets and more regional development. I only hope that this Government turns some of its rhetoric into action and that it has committed funding to the construction of new water storages identified and prioritised by the former coalition Government through its Water Infrastructure Task Force.

As the horticultural industries have evolved, so has Queensland Fruit and Vegetable Growers. With the move to new marketing systems, including direct supply to retailers and export, the organisation no longer has any involvement in marketing. Appropriately, it is now time to amend its Act to reflect the modern role of the QFVG. In supporting these amendments, I look forward to the continued development of the organisation, together with the development of horticultural industries.

Similarly, the Primary Industry Legislation Amendment Bill provides for amendments to the Primary Producers' Organisation and Marketing Act 1926. Marketing boards have traditionally played an important role in the development of Queensland's primary industries. However, with the changing requirements of growers and markets they are no longer an effective vehicle. With the conversion of the last commodity marketing board to a cooperative in 1996 and no new boards set up since 1971, it is very unlikely that such marketing boards will again become a feature of Queensland's primary industries landscape. The repeal of these legislative provisions is only appropriate and should be supported.

A series of amendments which relate to the operation of Canegrowers has also been proposed. I note that these changes have the support of that organisation and I hope they will provide greater flexibility and improved representation of growers' interests by Canegrowers.

It is probably fair to say at this stage that the sugar industry is in survival mode. That is basically because of three factors: price, crop and weather. Since less than two years ago, the world price has dropped from around US15c per pound to somewhere in the vicinity of US5c or US6c per pound. Members have to realise that the price for the Australian sugar industry is locked into the world market price for sugar, which is expressed in US cents per pound. Further, because of the demise of the Commonwealth sugar agreement a number of years ago, the domestic price of sugar is also locked into the world price so that any raw sugar that is produced for the domestic market is also sold to Australian refiners basically at world price.

The world market price is a price which is established by countries that in some cases are subsidising most of their sugar production and dropping the excess on the world market with no real regard for what return it may bring to their industry, so basically the world market price is substantially corrupted by the fact that the dumped sugar is used as a base price. Worst of all, Australian canefarmers rely on this for their income.

In the past year or so, Brazil's industry has had a huge impact on the world market price of sugar. Traditionally, Brazil has used a large percentage of its sugar to make ethanol for its ethanol-powered fleet of cars. However, with the low world price it has been able to import oil at a substantially reduced rate and so convert substantial amounts of its ethanol production back into crystal sugar, which it then exports. Another factor is that the process of producing ethanol also results in a reasonably high quality crystal sugar, which is becoming the world standard for other countries to meet. Indeed, it is not letting the cat out of the bag to say that that is creating some difficulty for Australian exporters.

A further factor in all of this is that the Brazilian currency has been devalued substantially. That gives a greater return to the exporters and producers from Brazil and has had the effect of increasing production of the Brazilian crop, particularly in the past year. Members should be also aware of the fact that the Brazilian sugar industry is 10 times larger than the Australian industry. In fact, its increase in production in 1997-98 was equivalent to that of the entire Australian sugar industry.

In very recent times, the increase in the world market price of oil combined with the devaluation of the Brazilian currency is making it far more expensive for Brazil to import oil. Consequently, there appears to be a trend for the return of the Brazilian industry to the production of ethanol, which will have the effect of taking Brazilian sugar off the world market. The bottom line is that even though we in Australia complain about the increased world price impacting on our pump price for petrol, it is actually doing the Australian sugar industry a great deal of good. Recent indications are that the Brazilian sugar industry is retracting under these conditions. Of course, the low world price is also having an effect on a number of traditional exporters onto the world sugar market, such as Thailand, South Africa and so on.

In terms of the Australian crop, because of the adverse weather conditions during harvest last year, a substantial amount of cane, particularly in north Queensland, was held over for this year's season. In my own electorate, at Plain Creek at Sarina one third of the total amount of cane available for harvest this year was standover cane. This leads to very difficult harvesting conditions, slowing the processing of the crop through the mill, and with general delays in the moving of the crop from the field to the sugar bin. Varying factors, such as the build-up of scale on the evaporators in the crystallisation process, mean that frequently the mills have to stop for periods to chemically clean their process

components. This equates to more costs and delays, which are impacting on the cost of moving the crop from the field, and this impacts on contractors, harvesters, farmers and all those others involved in the sugar industry.

Of course, added to the crop scenario is the fact that the crops which were harvested after the heavy rain at the beginning of August last year have suffered from soil compaction and the inefficient use of fertilisers, resulting in substantially reduced crops in Queensland this year. Added to all of this, of course, is that because of the wet last year there has been a substantial build-up of grass and organic material on farms, particularly in standover crops. And now there is a very substantial rat infestation, which is destroying crops nearly as quickly as harvesters are taking the cane from the field.

Thirdly, but most importantly—and as I said earlier—the wet weather that started in August last year and continued for more than two to three months in most areas had a tremendous impact on the movement of cane from the fields, and substantial amounts were left in paddocks for harvesting this year. The season last year has had a negative impact on the quality and the size of the crop. So far this season—and I am keeping my fingers crossed—except for a couple of mill areas in southern Queensland, the weather has been reasonable, and the industry looks forward to getting back onto an even keel with improved prices and a return to reasonable seasons. I take much pleasure in supporting the Bill.
