



Speech by

Mr T. MALONE

MEMBER FOR MIRANI

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PRIMARY INDUSTRY BODIES REFORM BILL

Mr MALONE (Mirani—NPA) (3.06 p.m.): It gives me great pleasure to speak on the Primary Industry Bodies Reform Bill. It is a very important piece of legislation, as the Minister would be aware. I must say that I am a little disappointed to see that the Minister has just circulated 38 amendments to the legislation.

Mr Palaszczuk: Consultation.

Mr MALONE: It seems a little like the Sugar Industry Bill in relation to which we had consultation. We got some good amendments to the legislation out of that.

As one of two farmers in the Parliament, I have a keen interest in and certainly an understanding of what is happening here. Even though in a global sense it would seem that the legislation is addressing some concerns right across the industry, I have to tell the Minister that at grassroots level there is still a lot of concern and a lot of angst about this legislation.

To be fair, I have to say that there are a lot of farmers out there—I am speaking basically about the sugar industry—who are uncertain of the future of the assets they have contributed to in their districts over a long period of time. Just where we go from here is of continuing concern to me. I look forward to discussions with the Minister as we work through the clauses in the Committee stage.

Yet again in this House we see a shining example of the enormous gulf that exists between the Labor Government's rhetoric and stated policies and the reality. Over and over, members on the Government benches tell us how much they talk to people and how much they consult. I have to say that, in relation to the two Bills I have been keenly interested in, it does not seem to have happened.

The Government was keen to push the Sugar Industry Bill through early in August. I know that the Minister castigated the Australian Cane Farmers Association for its forthright discussion in respect of the Bill. I know that organisation copped a fair bit of flack from the Minister in regard to that. I think that was unwarranted. But those people did bring to the public and to their members some real concerns. Although they probably overstated them in some ways, they did raise the level of debate quite substantially. I believe that they were a catalyst in ensuring that the Minister and the Opposition made sure the Bill ended up far better than it was in its original form.

I also have some real concerns about the ongoing aspect of research levies. In terms of research, the sugar industry has been one of the cornerstones of all primary industries in Australia because of the way in which people in that industry are able, on a statutory basis, to get substantial amounts of money for research and make sure that their industry—the sugar industry—is at the cutting edge of research.

Anybody who knows the sugar industry throughout the world would know that it is very competitive. The market goes up and down. The world market is corrupt, because it is based on the dumped world price of sugar. Unfortunately, in Australia, we are price takers rather than price makers. When the world market is down, we still have to keep pumping out that sugar while making a loss. Unless our industry is right at the cutting edge of technology in terms of research and we lead the world in that respect, we will go under very quickly.

My real concern is that this legislation does not clearly address how we are going to compulsorily require every farmer and every miller to contribute towards research funding. And unless we do that, a lot of farmers out there—and some of the bigger ones at that—will decide to take their money elsewhere. So I would be keen to hear what the Minister has in mind in that regard. I notice that the member for Bulimba is nodding his head. He is against compulsory levies and all those sorts of things.

Mr Purcell: No, I'm not. You didn't listen to what I said.

Mr MALONE: I did, actually.

Mr Purcell: I think it's a very good thing if it's going to make for orderly marketing and helping the industry to keep its act together.

Mr MALONE: I respect what the member says. That was a good comment. But in an industry like the sugar industry, there are people out there who will certainly think about taking their money elsewhere and not necessarily putting it into cutting-edge technology and cutting-edge research. At the end of the day, when the critical mass in research reaches a level where it is not going to produce those results, the sugar industry will be far worse off. I look forward to the Minister giving some clear indications in regard to that, and particularly in regard to single desk selling, which was mentioned earlier.

Single desk selling has been one of the main stalwarts in making sure that our industry is able to compete on the world market. The Queensland Sugar Corporation has the power to acquire the sugar and on-sell it to world markets. And being able to mix cargoes and get the right sized ships into the right ports and deliver that sugar economically to ports all around the world from Russia to China and Canada at a reasonable price, and being able to compete on the world market, is a remarkable achievement. Unfortunately, it has taken Government legislation to make that happen. But little by little, that force is being taken away from the industry.

As one of two canefarmers in the Parliament, I have a great love of the sugar industry. I have been farming in my own right since 1996. I started cutting cane on the family farm in 1960, so I certainly know a lot about it. But I always say that no matter how much one knows about the sugar industry, there is always more to learn. It is probably one of the most difficult primary industries in Queensland—and possibly in Australia, for that matter—to come to grips with when it comes to the politics and, indeed, the complexities of the industry.

As a member of the Australian Cane Farmers Association for about five years, and as chairman of its board for three years, I can understand to a certain extent the way in which we are moving now. As members would realise, the Australian Cane Farmers Association was a voluntary organisation. Its membership was drawn from New South Wales, Queensland, and Western Australia to a certain extent. It was a great time in my life to represent a voluntary sugar organisation in an industry that also had a statutory organisation. I can assure members that there were many times when the statutory organisation and our organisation were at loggerheads. And with the superior and more extensive resources of the statutory organisation, our Australian canefarmers' organisations were often hard pressed to get results. However, just as we have seen in the sugar legislation, the Australian canefarmers were able to highlight some issues and were able to force the agenda to a certain extent. And to the credit of canegrowers, they were able to get to a stage where the Minister was able to put together some amendments to the legislation.

When I was chairman of the board of the Australian Cane Farmers Association, I always put forward the proposition that I was not against statutory levies, and I still hold that view. I believe that unless some mechanism is put in place to ensure that all farmers and millers contribute to research and to organisational matters, there is going to be a crisis within our industry.

I have highlighted a couple of issues, including the transfer of assets from the Canegrowers organisation in Brisbane, as a trustee for the districts. I can recollect that, in the Mackay district, when the Mackay district Canegrowers executive built that magnificent building in Mackay, a special levy of 20c per tonne of cane was put on all farmers at that time to actually build that building, which has been a huge asset for growers in the Mackay region.

Mr Mulherin: It's worth \$7.5m now.

Mr MALONE: That is right. It would be a real shame if, somehow or other, that was lost to the industry. I am sure it will not be. I look forward to hearing from the Minister as to what transitional arrangements will be put in place to ensure that that does not happen.

The other issue is the fact that stamp duty is being considered in terms of the first transfer. The Opposition looks forward to making sure that, when the mechanisms for transfer finally do take effect—whether it be within the first few months or within the next 12 months or even longer than that—the stamp duty imposts on those transfers will not have to be paid by the industry. This legislation has been forced upon the industry by Government. All the costs involved in making those arrangements should be covered by Government, as well.

The member for Mulgrave spoke about how the Howard Government removed the tariff. I am sorry that the member is not in the Chamber now, because he actually stated a fact: the tariff was removed by the Howard Government. But for those members who are interested—and probably not very many are—I point out that, during the Keating Government, the tariff level was set at \$115, then there was a transition to \$90, then to \$75, then \$55 and, finally, to \$30, when it was actually removed.

Most members would realise that a tariff is only placed on imported sugar rather than exported sugar. The fact is that 85% of our sugar is exported and 15% is used in Australia. What was actually happening was a travesty of justice. The tariff was actually added onto the domestic price of sugar. It was called a tariff because it worked as import parity pricing and, quite frankly, it was misused in pushing up the price of the domestic market. The loss of the tariff certainly had an impact on the industry, but only on the domestic market—15% of our total product. At the end of the day, we could have called it something else, and we probably would have got away with it; but in terms of national competition, world GATT agreements and things like that, it probably did have to go. But members should realise that it was placed on only 15% of our total production, and that 15% was the domestic market. No imported sugar attracted the tariff.

Mr Mickel: The consumers had to pay for the increased sugar prices, as did manufacturers.

Mr MALONE: Absolutely—and the refiners, of course.

Mr Mickel interjected.

Mr DEPUTY SPEAKER (Mr Reeves): Order! The member for Logan! If the member wishes to interject, he should do so from his correct seat.

Mr MALONE: There is no argument that consumers were paying extra for their sugar. I would like the member for Logan to point out to me by how much a can of Coke or a packet of sugar went down when the tariff was taken off. Did it go down?

Mr Knuth: It didn't.

Mr Mickel: It made us more export competitive, though.

Mr DEPUTY SPEAKER: Order! I have reminded the member for Logan that if he interjects, he should do so from his correct seat.

Mr MALONE: Mr Deputy Speaker, thank you very much for your protection. I was really scared about this!

Recently, members might have seen a news item about one of the contractors at Koumala, which is located in my electorate, who was run over by a harvester. Owen Kokel, who is a good friend of mine and who is a very keen young contractor who works on farms next to mine, was run over by a harvester early one morning. Both his legs were broken—one above the knee and the other below the knee—and almost severed. One of his arms was almost severed and he suffered other extensive injuries. Fortunately, within an hour or so of the accident occurring, the rescue helicopter was able to get him out. Unfortunately, at the time the helipad at the hospital was inoperative and he had to be transferred by ambulance from the airport at Mackay to the hospital. However, we hear that he is going to be okay and, hopefully, his limbs will be saved. As we reach the end of the sugar harvesting season, farmers and contractors are flat out trying to get cane off. The season has been rather wet and people have been working long hours. Unfortunately, this guy was there at 4.30 in the morning fixing up a harvester and another bloke came along, did not realise that he was under the harvester, and drove over the top of him. It was very unfortunate, but these things happen.

Many people are involved in the sugar industry. The other day, I was saying to a friend that people think that the sugar industry is comprised of farmers and millers. However, when one really thinks about it, one realises that the sugar industry is also comprised of people who supply machinery, people who work in the banking industry and people who work in the trucking industry. In communities throughout Queensland, many people make a living out of the sugar industry. Even though farmers are seen as the cornerstone of the industry, the whole of the eastern coast of Queensland relies upon the viability and the prosperity of the sugar industry.

I must stress to the Minister that we are dealing with a very difficult piece of legislation; I look to him to give some genuine comment in his reply. I thought that we worked through the Sugar Industry Bill quite well. I know that there were some complaints that the passage of the Bill went on for too long. However, we have on record the Minister's responses to our questions. I believe that they were reasonable, and I congratulate the Minister on being even handed. In respect to this Bill, we expect a similar situation to occur. We have a lot of questions to ask about what is going to happen in the future. In terms of section 90 of the Federal Constitution, questions have been asked about the imposition of levies. At this stage, we really have no concrete evidence that the imposition of levies is such a major problem or that it needs to be handled in the way in which it has in this Bill. In that respect, I look forward to the Minister being forthcoming during the Committee stage.

The Opposition is reasonably supportive of this legislation. I have not had a chance yet to look through the amendments to the legislation. I hope that there are no surprises there as we saw at the

end of the last sitting week with an amendment to the family services legislation. However, I look forward to working with the Minister during the Committee stage.

Let us hope that we can get some finalisation to the questions that we have asked in relation to the SRDC and the BSES. I am particularly concerned about the funding for the BSES and making sure that the full amount of levies that need to go to the BSES will go there. The funding for the BSES has always been on a fifty-fifty basis, of which the Minister would be well aware. Unfortunately, by taking—as I suspect the Minister is considering—funding directly from the QSC, that will mean that farmers will be paying 66% and millers will be paying 33%.

Mr Palaszczuk: It is one of a number of things that the Government is progressing through now. We might not even have to come to that.

Mr MALONE: In that respect, I will look keenly to see what the Minister is doing. I am very supportive of the BSES. There is no way that we need to wind back its operations or limit its funding. During the debate on the Sugar Industry Bill we received an assurance from the Minister that the \$3.8m—and hopefully a little bit more—would be forthcoming year after year.
