



Speech by

Mr DOUG SLACK

MEMBER FOR BURNETT

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SUGAR INDUSTRY AMENDMENT BILL

Mr SLACK (Burnett—NPA) (5.20 p.m.): I rise to support members who have spoken previously in support of the Sugar Industry Amendment Bill. I mention particularly the contribution to the debate of the shadow Minister. I also mention the contribution of the members for Mirani and Mulgrave. They made many points relevant to the sugar industry. The member for Mirani and the shadow Minister, the member for Hinchinbrook, have been practising canegrowers for many years and as a result of many years of practice in the field, both as practising farmers and as members who have been heavily engaged in industry politics, have an in-depth knowledge of the workings of the industry. I also welcome the contribution made by the member for Mulgrave. He did not play politics in respect of the contributions made by members of the Opposition.

I note that towards the end of the Minister's second-reading speech he made reference to the Opposition and to politics. He said, "I ask that the Opposition put aside petty politics and support this Bill." Minister, I appreciate that comment. However, I would also recommend that he apply it to himself. When referring to the transfer of bulk sugar terminals, there is this statement—

"The Bill very clearly shows that it is Labor that is committed to the sugar industry; it is Labor that understands the sugar industry; and it is Labor that delivers for the sugar industry."

The Minister should have choked on that statement. I expected better from what I thought was an understanding Minister. If the Minister is what he claims to be, he should have a better understanding of the contribution that the coalition made, particularly to resolving the issue of the transfer of bulk sugar terminals. I recall very vividly the machinations that led to the resolving of that issue—and that was done by the coalition Government. If anything is to be said about politics in relation to this issue, it is that it is sad that it is now two years since that issue was resolved by the then coalition Government. We inherited that issue during the two short years when the coalition Government was in power. There was controversy surrounding it, as the Minister should appreciate, in that the port authorities had some reservations about it. They did not want to see a situation where they felt that they may lose some control of the management of their ports.

Mr Palaszczuk: We resolved that.

Mr SLACK: We resolved that. I was given the responsibility by Cabinet to do that. Those port authorities were also worried about the peppercorn rent situation in relation to the renting of the terminals to the sugar industry. There were tripartite meetings of the parties under the chairmanship of Roly Nieper, who was then the head of the Department of Primary Industries. I was involved in those meetings. I felt that we had resolved the situation with a solution brought forward into legislation which could quickly be put into practice. Yet now we are two years down the track. Minister, do not accuse us of doing nothing. Do not accuse us of playing politics when obviously those opposite have been playing politics in saying that we have done nothing for the sugar industry.

As most people would know, we have done a tremendous amount. It was during our term of Government and my term as Minister that the tablelands sugarmill was approved. I had a direct involvement in that. We negotiated, facilitated and saw the building of a mill that has been of tremendous benefit to the cane industry and particularly to the people of the tablelands. We saw the development of that mill. It had been about 70 years since a mill had been built in Queensland. It was from the building of that mill that we now have a proposal by Bundaberg Sugar, Multiplex and other

parties to use the technology developed in that mill to enable them to facilitate the development of a value-adding industry in Bundaberg, with the possibility of a billion dollar investment to produce paper pulp from the bagasse and also the use of ilmenite from Monto.

Mr Palaszcuk interjected.

Mr SLACK: I agree with that. I appreciate that. What I am pointing out to the Minister is that this statement is based on a little politics itself, yet the Minister has asked us not to play politics.

Mr Palaszcuk interjected.

Mr SLACK: My understanding was that, if it had not been completely resolved, it was so close to being resolved that it really did not matter. I accept the point that one can sometimes think something is resolved and one of the parties comes back and finds some fault which has caused a problem—and that fault can be legitimate or not legitimate—in the interests of somebody within their organisation. I appreciate that. I understand that. But, at some stage or other, a decision has to be made by the responsible Minister to proceed to legislation. Of course, we are two years down the track. I can appreciate that that may have happened, Minister. I am unaware as to whether that may have happened in the meantime and become a contributing factor to the situation we now face.

Previous speakers in the debate have made several references to ethanol. Bearing in mind that there have been quite significant changes since it was first assessed during the late 1980s, there is no doubt that there is a case for a re-evaluation of the potential production of ethanol in this State. It has been assessed over many decades, particularly at times when the sugar industry has experienced low prices and lower quality production. There are two scenarios operating at the moment. There is the scenario of the lower price, which thankfully is looking as if it is going up. There is also the unfortunate situation now where sugar content is very low, particularly in the northern areas that the member for Mulgrave talked about. That issue needs to be addressed. We need some stabilising factors in the issue of pricing for sugar because the industry itself, particularly the smaller growers and those growers experiencing lower sugar content, cannot withstand the adverse effects of the fluctuations in prices.

When ethanol was previously looked at, two key factors were involved. One was the excise. If it was to attract excise from the Federal Government, then it would not have been a proposition. It would not have been competitive; it was as simple as that. That has been addressed by the Federal Government in that it has now made a public statement that it will not attract excise. The other issue is the trigger that its pricing has to be competitive in the marketplace. At the time it was looked at, if my memory is correct \$270 per tonne was the cut-off price for farmers in order for ethanol to be a competitive proposition in the marketplace. The price was rising; it got above \$270. The fear was that growers would not then commit a percentage of their sugar production to ethanol. We are now in the situation where it is below \$270 per tonne.

If down the track the price rises above that figure—and if that figure is still relevant—we have to be able to ensure a guaranteed supply of a certain percentage of cane to ethanol producers. I believe that issue can be addressed. The cane industry itself needs to address that issue and come forward with a proposition to solve that problem. Therefore, the ball is back in the canegrowers' court. Having said that, it also needs the support of Government having an objective look at what canegrowers may submit in respect of ethanol production. In a nutshell, because of the current situation what I am saying is that it is time for us to revisit the ethanol issue and look at the changes that may have occurred.

The member for Mulgrave raised an issue that had not been mentioned by the other speakers, that is, feral pigs. Many people may think that is a small issue, but it is not. I notice that the Minister is agreeing. This is an issue for not only the cane industry; it applies to areas other than north Queensland. Many canegrowers in my area are getting very worried about increasing numbers of feral pigs. They are not in big numbers at this time but, with the breeding habits of feral pigs, there is potential for numbers to increase quite dramatically.

Feral pig numbers are exploding throughout the State. In the western areas and in the grain growing areas there is increasing demand for extermination of pigs because of the destructive effect they are having on crops. They can wipe out a crop virtually overnight.

Mr Knuth: Not enough shooters.

Mr SLACK: That may be. They can be quite valuable for the European market if things are done properly—if the right permits are issued, if there is cooperation on the part of Government and there is not too much red tape to act as a deterrent. At the end of the day, this issue needs to be revisited to ensure the feral pig population does not explode in size.

The issue of tariffs was raised. I agree with the sentiments expressed by previous speakers. Unfortunately, Australia—it has been a problem with Federal Governments of both political persuasions—has tended to approach the issue of tariff reduction from the front foot, believing that our reducing tariffs will set an example for the rest of the world to follow. We saw this just recently. One of the Federal Government's advisory groups has recommended that we remove the remaining small

tariffs—they are around 5%—that exist on some of our industries. One of the arguments it is using to support its position is that it will give a lead to other nations to reduce their tariffs.

As a one-time Minister for Trade, I can certainly appreciate the need for countries to reduce tariffs. There is no question that it is in the interests of Queensland and Australia to have tariff reduction. But I do question removing tariffs prematurely to induce other countries to do likewise. In effect, I believe it works the other way. Once we remove our tariffs we have lost our leverage on other countries to remove their tariffs. I strongly believe from my own experience that, while it is the way to go, in practical terms it does not achieve the result we want.

It is a cold, hard world out there in the area of trade. I cannot overemphasise that. The international trading field is dog eat dog and we are silly to think otherwise. We are silly to think we can provide a lead that other nations will automatically follow. They will follow it if it is in their people's interests and if they will make a dollar out of it. That is the only way they will follow. They will not follow out of sentiment in any way, shape or form. I put on the record my adverse feelings about any position the Federal Government may take in the future in relation to reduction of tariffs without complementary reductions from other countries.

Stamp duty is another issue that was raised. I know that the Minister outlined his position in his second-reading speech. I believe that the Minister has gone probably as far as he can in giving an undertaking to do all he can to ensure that stamp duty does not apply in these transfers. He has been at pains to outline the mechanism in which stamp duty can be paid and recovered. I would hope that in his speech in reply to the debate the Minister could give a better undertaking than that.

It is fair to say that the Minister should have been in a position to approach the Treasurer and the Budget Review Committee to get provision for the return of the stamp duty. That is the mechanics of it. That could and should have been done. Therefore, that commitment should be able to be given in the Minister's speech in reply to the debate. I see that the intention of the Minister is there, but the commitment is not. That needs to be addressed.

Based on its current position, I know that the industry is pushing for interest rate alleviation for those growers who are in trouble. I support that for the reason that any support does not go only to canefarmers. It goes right through the community. If canegrowing is prosperous, the community benefits. It is not necessarily a direct subsidy to canegrowers. It is a subsidy to those communities up and down the whole of the Queensland coast which are basically dependent on the cane industry.

I refer specifically to the Bundaberg area, for instance. Only recently there was a report in the Bundaberg paper which indicated that the Bundaberg and Childers district will be about \$37m worse off this year because of the low world sugar price and reduced cane crop. The article states—

"Bundaberg Sugar regional mills manager Rod Cullen said current estimates put this year's crop about 3.28 million tonnes—down from last year's record 3.8 million tonnes.

This year's crop should be worth about \$106 million, while the Childers district crop should be worth about \$38 million.

The value of the Bundaberg Sugar crop has declined from \$134 million last year, \$140 million in 1998 and \$175 million in 1997."

So it is not just about the \$37m reduction this year. There has been a steady decline of millions of dollars since 1997. The Minister can see the impact that would be having on the community—on jobs and on the canefarmers themselves, particularly the smaller canefarmers with big debts. Unless they have inherited a farm, people cannot go into primary industry now without substantial debt. A major component of costs in many situations is interest. Therefore, I ask that the Minister for Primary Industries—as a Minister in the Government that has to assess the current situation of the sugar industry and the effect that situation is having on local communities along the length of the Queensland coast—gives serious and favourable consideration to any measures that can be afforded to address the plight of canegrowers.

I thank the House for the opportunity to speak on this Bill. It is an important Bill which puts in place measures that the industry itself has asked for. I commend the Minister for bringing the legislation to the House, although I have been somewhat critical of its late arrival and certain aspects.
