



Speech by

Hon. HENRY PALASZCZUK

MEMBER FOR INALA

Hansard 27 May 2003

SUGAR INDUSTRY AND OTHER LEGISLATION AMENDMENT BILL

Hon. H. PALASZCZUK (Inala—ALP) (Minister for Primary Industries and Rural Communities) (11.09 p.m.), in reply: I would like to thank all honourable members for their contributions. This bill is significant as once again it shows our government's commitment to the sugar industry. In our first term in government we made historic reforms to give industry direct ownership of its marketing and bulk sugar terminals through the respective establishment of Queensland Sugar Ltd and Sugar Terminals Ltd. This bill transfers ownership of the Bureau of Sugar Experiment Stations to the sugar industry. I would like to acknowledge the support of industry for this legislation.

Of course, it is important to highlight the benefits this move will have for the BSES itself. BSES Chief Executive Officer Eion Wallis said in a media statement on 2 April—

As an industry-owned body, BSES will be able to seek out new research funding sources, form new alliances, and build on its own resources through the commercialisation of new knowledge.

Earlier this month I had the opportunity to be part of a launch in Townsville of a new alliance between BSES and CSIRO. The partnership between BSES and CSIRO would unite some of the world's leading sugarcane plant breeding and biotechnology programs, valued at more than \$7 million per annum. This alliance will strengthen the reputation of our sugarcane plant breeding programs as the world's best. Again, Mr Wallis said in reference to the current arrangements—

At present, BSES is accountable to the Queensland state government, and this has been a valuable and productive operating structure. However, when BSES becomes a company limited by guarantee, industry stakeholders will have a greater say in the role BSES plays.

This transfer of BSES from statutory administration to industry management will strengthen the competitive position of the Queensland sugar industry. The transfer of BSES and CPPBs from statute, as this bill provides, will give the sugar industry full ownership, responsibility and accountability for its day-to-day operations, management and use of the assets in the best interests of the industry.

As part of this bill, the Queensland government will transfer over \$45 million worth of assets to industry. BSES is the sugar industry's dedicated research and development organisation, whilst the CPPBs provide advice and service to canegrowers on issues such as pest and disease control and productivity enhancement. To reassure the member for Hinchinbrook in terms of BSES, the bill implements the recommendation from a joint industry-government steering committee that the new structure of BSES be a company limited by guarantee.

BSES has offices in Brisbane as well as research stations in Bundaberg, Burdekin, Herbert, Mackay, Meringa, Tully and Woodford. BSES has extension centres in Broadwater, Childers, Condong, Harwood, Innisfail, Maryborough, Nambour, Proserpine, Sarina, Tolga and Townsville, which of course is a CSIRO Davies laboratory. Industry has been seeking ways to deliver services.

Six of the original 20 CPPBs have already incorporated, and a number are now seeking to dissolve. This bill provides the remaining CPPBs with the option of incorporation or dissolution by 30 June 2004. After this date, any remaining CPPB assets and liabilities would be transferred to the BSES. I repeat: these reforms were supported by industry and were in line with the government's commitment to give industry greater control over its own destiny.

In addition to incorporation of BSES and dissolution of CPPBs, the bill introduces changes to the Plant Protection Act 1989 as a consequence of BSES incorporation. These alternative

arrangements for plant health management mirror existing arrangements and importantly provide industry with effective protection from threat of disease.

I will now respond to a couple of issues that have been raised by the honourable member for Hinchinbrook. He said that BSES will be funded by government for three more years and not after. Basically what he has said is partly right. After the three-year commitment the government will review funding for the BSES. One option probably could be contestable funding amongst sugar R&D providers, which does include BSES.

The honourable member for Tablelands asked who would own the patents currently with BSES. Quite simply, it will be BSES Ltd, which will be owned by the Queensland sugar industry. I thank all honourable members for their support for this legislation. I again commend the bill to the House.