



Speech by

**Hon. HENRY PALASZCZUK**

**MEMBER FOR INALA**

Hansard 7 October 2003

### **MINISTERIAL STATEMENT**

#### **Primary Industries**

**Hon. H. PALASZCZUK** (Inala—ALP) (Minister for Primary Industries and Rural Communities) (10.12 a.m.): Queensland's primary industries remain an important contributor to the state's economy. However, the drought continues and the trading environment has got tougher. The Australian dollar is now in the high US60c range compared to the mid-50s of 12 months ago. Amongst other developments, the Japanese have applied an increased tariff on all beef imports and the world oversupply of sugar is set to increase. Despite these challenges, Queensland's food and agriculture industries are showing great resilience.

Today I am launching the Department of Primary Industries' *Prospects* publication which details the projections for this financial year. After posting a record \$9.4 billion result in 2001-02, the gross value of Queensland's primary industries fell by an estimated seven per cent to \$8.7 billion in 2002-03. For the current financial year, 2003-04, the DPI is projecting no overall change with the total value of production to remain at \$8.7 billion, assuming the return of normal seasonal conditions. This projection does not mean stability across the commodities; indeed the DPI anticipates pain and gain.

Amongst those sectors to gain are horticulture, grain, fishery, forestry, poultry and egg industries. Pork is expected to remain stable. Those to endure pain are cattle, sugar cane, cotton, wool, sheep and lambs, and dairy industries. I intend to circulate copies of the report for the information and interest of all honourable members.

One of the most concerning results, and the largest write-downs in terms of value, is in the sugar industry. The DPI has projected the gross value of sugar cane to fall 15 per cent to \$790 million. That is a reduction of \$135 million.

Over the last 12 to 18 months many people have spoken a lot about the sugar industry. Our government proposed a reform agenda, backed up by an assistance package, and we intended to rescue the sugar industry. However, the opponents of the plan—the wreckers who say stopping the reforms is good news for growers—still have much explaining to do. They must explain to growers why the same status quo that will let \$135 million be taken out of their industry and out of their pockets this year should be preserved. These are projections. They are not written in stone. They do not explain what is happening in every region or around the kitchen table of every farming family in Queensland. It does, however, show the resilience in the food and fibre sectors.

A special feature article, 'Future drivers of Queensland's food and fibre sector', is also included in *Prospects*. This article discusses the factors that influence the production and consumption of food and fibre products. The government will continue to work with producers throughout the drought and the difficult trading environment to secure the best results possible for the future of Queensland's food and fibre sectors.