



Speech by

Mr L. SPRINGBORG

MEMBER FOR SOUTHERN DOWNS

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SUGAR INDUSTRY AND OTHER LEGISLATION AMENDMENT BILL [No. 2]

Mr SPRINGBORG (Southern Downs—NPA) (Leader of the Opposition) (3.04 p.m.): Today we are dealing with a bill that will have a dramatic impact on the Queensland sugar industry for good or for bad. On this side of the House, we argue that this bill will have a greater detriment than a benefit. There is little doubt that the Queensland sugar industry requires a degree of short-term assistance and long-term solutions. I think that probably what sets us apart is the process and the nature of some of those long-term or medium to long-term solutions.

The honourable member for Hinchinbrook, in his capacity as shadow minister for primary industries, has introduced a private member's bill that seeks to provide a range of alternatives for reform of the Queensland sugar industry, that seeks to retain much of the positive part of the regulatory structure that exists currently for the sugar industry. We have to be extremely careful that we do not throw out the baby with the bathwater, so to speak—that we make sure that the reform of the sugar industry that this parliament puts in place is actually for the long-term benefit of sugar cane farmers, their families and the businesses and the communities that rely so much on that industry.

Sugar is one of Queensland's largest industries and it has been for many decades, if not longer. There are whole communities and whole economies in regional areas that have been built up around the prosperity and investment in the sugar industry. I think we all appreciate that. The industry goes through highs and lows. In recent times, it has gone through a fairly significant low. There is light at the end of the tunnel, but there is a long way to go. It is also true that domestic and international factors impact upon the prosperity and viability of the sugar industry in this state.

Contrary to what some people propose, I believe that Queensland's sugar industry is very, very efficient, as are a lot of our primary industries when we compare them to the industries that they compete against overseas. The reason that sometimes they come off second best is that we have to work in a relatively unsupported environment compared to our trading partners, or those other exporters that have a structure of subsidised production that puts our producers at a relative disadvantage. Notwithstanding that, I think that we need to reflect for a moment on the fact that our industries have also been very successful in being able to survive and adopt world-leading technologies and opportunities within that particular environment.

I am very concerned about the way in which the government has gone about this reform process. I note that the government argues that there has been agreement with the Commonwealth. I also note that the government says that this reform is necessary for the future of the sugar industry in Queensland. We are not arguing that there does not need to be some degree of reform to the industry. That is why Mark Rowell, our spokesman in this area, introduced such a private member's bill. We have an argument with the way in which the government is going about this reform and we have an argument with the government's interpretation of the memorandum of understanding. The opposition also contends that the government is using that reform process as an excuse to push forward reform on a unilateral basis—reform that does not have the broad support or very much support from many people in the industry and certainly has a significant degree of reticence on the part of the federal ministers who are involved in this area.

I have seen a letter from the federal agriculture minister, Warren Truss, to, I think, Minister Barton in which he says that, in his opinion, the proposals contained in the legislation are against the spirit of the memorandum of understanding. I think that is pretty significant as we are having this

debate over the memorandum of understanding and what we believe it to be. What reforms are necessary to meet the objectives of the industry and what reforms are necessary to ensure a viable sugar industry?

If we go about the wholesale change which this legislation proposes, then I think we certainly risk unwinding a lot which is successful about the sugar industry in this state. The member for Hinchinbrook outlined very competently those successes. He is involved in the industry—and has been for a long time—as has the member for Mirani. I think the people involved in the industry have a right to be heard and a right to be understood. Some on the other side might argue that people might have a particular vested interest in this. That is a very easy way to dismiss what somebody who has concerns and somebody who has experience has said.

When somebody lives something and understands something it does not necessarily mean that that person overtly and completely resists reforms. It means they have a perspective as a result of being involved in the industry which otherwise may not be considered and may even have a broader understanding and more a realistic understanding of the impact of reform.

I will speak briefly to the statutory bargaining process. We have some very serious concerns about what is proposed in this bill with regard to the cane production areas. We have concerns about what is being proposed in this bill with regard to the effective dismantling of the domestic single desk. We believe that by reducing and tearing down that process of collective bargaining—because that is what it is about; the ability for farmers to know that their product, which has been grown on their farm, has then been milled and then is pooled and sold on the domestic market—we will do away with a certainty which has existed for the sugar industry in Queensland and Australia for a long time.

The concern I have generally with regard to regulatory reform is that we see single desk selling as a bad thing. I say that it is an extension of the process of collective bargaining. We have already recognised in industrial relations terms that that is very important. We recognise people's right to be able to do that in other areas. We should recognise those sorts of things when it comes to our primary producers. There is a benefit in having a domestic single desk which allows a product that is being produced to be centrally controlled and centrally sold.

It is also interesting to note that in my discussions recently with the Deputy Prime Minister he was in no way keen to be advancing down this track insofar as the export single desk was concerned. He expressed extreme concern about any moves to deregulate the domestic single desk. I think that recognition with regard to the export single desk and the same recognition with the wheat industry demonstrates that on an international level there are some very significant advantages in terms of empowerment and being able to control the direction of an industry, a market, and being able to pool a particular commodity and sell. It gives you a greater degree of power and a greater degree of influence. That is of benefit to the growers and, in this case, it is a benefit to the millers as well. I believe it is a very strong benefit for them. It continues to be recognised in an export sense. I do not know why we should not recognise it in a domestic sense.

Mr Rowell: It is different to wheat. You just cannot take a truck load of sugar down to Victoria and sell it.

Mr SPRINGBORG: That is right. The honourable member for Hinchinbrook raises a good point. We have an export single desk with regard to wheat. We certainly have a degree of flexibility at the domestic level, of course. But, as he points out, the difference is comparing sugar to wheat and what you do with it. I do not think we can dismiss those historical and very real differences. There is a reason that the system has evolved the way it has. I am not so sure, as we head into this brave new world proposed in this bill, that it is going to give all of the benefits which the government—

Mr Mickel: I would like to hear your speech to the wine corporation.

Mr SPRINGBORG: The honourable member for Logan talks about inconsistencies—from the wrong seat, I note. If we distil the essence of the honourable member for Logan, I am sure that we would find significant inconsistencies with what he has proposed in this parliament from time to time. He dares to say that there may be inconsistencies.

Mr Mickel: Are you agreeing with me?

Mr SPRINGBORG: I am not. I am saying that the honourable member sits over there and indicates inconsistency in arguments or supposed inconsistencies in arguments from a position of ignorance. He does not understand the way these regulatory regimes have evolved. If he wants to take that line of thought, I am sure that we can search back through the records of this place and what he has said outside and find things that he might feel a little interested in if put to him.

I think the lack of consultation with the industry with regard to this matter is of very serious concern. If government members can stand up and say there has been broad consultation with industry about this, then why is it that representative bodies of cane farmers have been very serious concerns and in fact oppose what the government has put forward? Why is it so? Why is that the case

if there has been consultation at the level that they say? If the industry is supportive of it—as they believe it is—then there should be only a minority of cane producers opposed to this.

I do not believe what the government is putting forward is right. What they are saying, as I understand it, is that they agree with the need for some reform. I understand the honourable member for Hinchinbrook has already received some endorsement for what he has put forward in this parliament in his private member's bill. They are not arguing against reform. What they are arguing about is the interpretation by the government of the MOU and the nature of the reform that they have put forward in this parliament in this reform bill. That is what they are arguing against. That cannot be dismissed.

I think it behoves the government to make sure that when they go through this process they have consulted and have the very broad support of the representative sugar industry bodies for that reform. If they are going to be entering into a process which involves a cooperative approach with the Commonwealth and relies upon the Commonwealth to put in \$120 million, then one would have thought that the Commonwealth should be absolutely supportive of the reform which they are bringing into this parliament. They are not; the sugar industry is not. That leads me to believe that we have a unilateral process on the part of the government. It is hell-bent on reform at any cost without necessarily considering the medium and long-term consequences of that reform process for the future of the sugar industry in this state and the communities which are reliant on them.

Once this is done and if it does not work, then there is no way of getting it right. There is no chance of coming back and getting it right at a future time. Look at everything that was said about the deregulation of the dairy industry. What was it going to do? Provide better prices for farmers and lower prices for consumers! The consumer may have got generic milk, but generally that has not happened. The farmers are worse off, by and large. What we have is a lot of economic theory which underpins and underwrites this proposal. What we see is not wealth creation amongst those people who do all the work but wealth realignment and wealth relocation from those people who give the work to others who just basically sit there and are able to control the market and market the commodity at the end of the day. We have to be very careful that once the chook is plucked we do not put the feathers back on it. That is the reality. It is over and done with. If it is wrong, there is no chance to come back.

It is also fair to say—and the bill of the honourable member for Hinchinbrook recognises this—that there are other uses for cane sugar and we need a framework which allows that. He has talked about sorbitol, ethanol, et cetera. We know we need a relatively flexible regulatory framework to allow that to happen, but it does not mean that we need this. As time goes by, as successful as those communities are in the production of cane, we will have a situation with biotechnology where cane will be used for a range of other purposes because of the biomass that can be produced. I look forward to that, because I think that will be where the long-term future of some of those sugar communities lies.

I cannot support the bill before the parliament. It is without proper consultation, it is without proper support of the Commonwealth government, it is unilateral and I think it risks undermining the sugar industry and doing more harm than good.