



Speech by

Mrs LIZ CUNNINGHAM

MEMBER FOR GLADSTONE

Hansard 27 April 2004

SUGAR INDUSTRY AMENDMENT BILL

Mrs LIZ CUNNINGHAM (Gladstone—Ind) (8.25 p.m.): In rising to speak to the Sugar Industry Reform Bill, I would like to place on the record my appreciation to the minister and his officers for the briefing that I received last week. Because I was here in this chamber when the dairy reforms went through, I was particularly concerned about this process having the support of the industry participants themselves and I asked a number of questions. During the dairy reform, which occurred during 1996-97, I took a lot of advice from a National Party person who himself was a dairy farmer.

Mr Lawlor interjected.

Mrs LIZ CUNNINGHAM: As it transpires, the advice that I received was certainly not across-the-board. Dairy farmers in my electorate were significantly disadvantaged by the dairy reform. So I was concerned that sugar industry people be brought along in concert with the process rather than having the process imposed upon them. The advice I received was that the sugar industry in the main—there were several small pockets of dissidence—concurred with the direction that this legislation took.

There are two pieces of communication I want to place on the record and genuinely seek the minister's response to. I do not have sugar in my electorate, but if the industry is in support of this legislation I am certainly keen to support it. I seek to outline these two emails that indicate concern and seek the minister's response.

The first email is dated yesterday, Monday, 26 April. It is from Margaret Menzel from the Sugar Industry Reform Committee. I do not know the woman; this just came through. The heading of the media release is, 'If Beattie wants National Competition reviewed, he must put a moratorium on sugar industry deregulation'. I have just listened to the member for Logan and other speakers in relation to the majority percentage of sugar from Queensland that is dealt with overseas and therefore would not be affected by NCP. I take on board those comments. However, I want to put these two emails to the minister for his response. The first states—

'Premier Beattie's support for a review of National Competition Policy will only have meaning if his government now puts a moratorium on plans to deregulate the sugar industry,' according to the Sugar Industry Reform Committee.

'It would be hypocritical for the Premier this week to call on the Federal government to review National Competition Policy and next week vote in the Queensland Parliament to deregulate the sugar industry' according to Margaret Menzel, Burdekin canefarmer and spokesperson for the SIRC.

Mrs Menzel said that most Queenslanders would regard as 'historic', the resolution passed in the Queensland parliament to 'convey its concerns to the Prime Minister in relation to the impact of national competition policy and privatisation proposals on Queensland business and industry and the devastating effects being felt by Queensland farmers.' The motion passed without opposition.

After Independent Dolly Pratt moved the motion, Premier Beattie rose to support the resolution, as did Labor members Paul Lucas, Minister for Transport and Main Roads, Stephen Robertson and Primary Industries Minister, Henry Palaszczuk.

Paul Lucas told the parliament that the Federal Government was hypocritical in forcing the states to accept deregulation of 'rail, bottle shops, taxis, electricity, industrial relations, waterside workers, you name it. But when it comes to federal areas where it might be held politically accountable, such as pharmacies as newsagents, suddenly there are overwhelming arguments not to have competition.'

Mrs Menzel said that if the Queensland government is not going to be as hypocritical as the Federals, then they should now place a moratorium on deregulation of the sugar industry. "We have over 4000 out of 6500 Queensland canefarmers signed to a petition strongly opposing deregulation and calling for an alternative policy agenda for the sugar industry. The government admits that dairy deregulation was a disaster, further deregulation of the sugar industry will prove just as devastating in this industry," she said.

In a strongly worded speech, Premier Beattie said that Queensland had suffered costly NCC penalties as a result of the state's refusal to acquiesce to the deregulation of the electricity industry.

The Premier said: "Competition can help to grow our economy, provide more jobs and provide lower prices for consumers. However, it does not follow that all competition will necessarily boost living standards or protect the community. The reality is unfortunately lost on the federal government's competition commissars at the National Competition Council—that is what they are. The NCC is all about driving competition for its own sake and that alone. It does this through the threat of reducing national competition payments.

That is the first email. I wrote back to Margaret Menzel on the basis that the contents of that email dated Monday the 26th contradicted what I was advised in the sugar bill briefing with officers of the minister's department. My advice was that the sugar industry agreed with the legislation and I asked her to clarify. This is her response, and I quote—

The Sugar Industry farmers DO NOT AGREE WITH THE LEGISLATION!

The ACFA and the Sugar Industry Reform Committee and most of the growers have repeatedly and stridently argued that National Competition Policy that is driving this legislation has been and is already detrimental to this industry. The SIRC have over 4000 growers signatures on petitions to oppose further deregulation. We have held a rally in Townsville with growers supporting our stand against deregulation and we have held numerous grower meetings along the coast which have been some of the largest grower or communities that their respective towns have had—all have unanimously supported our representation and opposed deregulation and the aims of this legislation —only one person spoke against us at one meeting in Innisfail —all other meetings supported us unanimously.

Since partial deregulation in the sugar industry was implemented our price has halved...we receive the same price now that we received 40 years ago. Yet our costs have risen in some areas by 1000 % since that time. This is due to the state government imposing partial deregulation in 1996—

I am not sure whether that was under the Labor government or the coalition. I remember the dairy deregulation but not that of sugar. It continues—

... and also imposing price control through their Ministerial Directive. This legislation WILL NOT give us a share in value-adding, in fact it will ensure that we MUST be paid on the formula according to sugar content alone.

This legislation does not put 1 additional cent in farmers pockets, it forces us to continue to accept a price which is currently a half of the average world cost of production!

We urge you and your fellow members to OPPOSE this legislation!

I seek leave to table both of those emails.

Leave granted.

Mrs LIZ CUNNINGHAM: My concern is that this deregulation will, in general terms, improve the farmers' position. As I said, I was part of the vote and voted in support of dairy deregulation when the numbers were very close. As time has shown—

Mr Rowell interjected.

Mrs LIZ CUNNINGHAM: I am sorry: when the coalition was in government was when deregulation started and I received advice from Mick Veivers. Therefore, I saw the damage that deregulation caused to farmers in my area. At that time ours was not a huge dairy area, but at different times we had been strong in the dairy industry. It had shrunk to a degree, but because of deregulation farming families in my area, in a number of instances, have been significantly disadvantaged. I would hate to see that happen to sugar farming families. That legislation that passed through here, albeit with the best of intentions, ultimately undermined or bankrupted families.

I seek the minister's genuine response to those emails and those concerns. I acknowledge the fact that 85 per cent of the sugar is sold overseas and that a lot of the NCC issues do not apply. However, my vote in this legislation will depend on farmers being benefited by it, not disadvantaged by it. I look forward to the minister's response.