



Speech by
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MEMBER FOR BUNDABERG

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SUGAR INDUSTRY AMENDMENT BILL

Hon N. I. CUNNINGHAM (Bundaberg—ALP) (3.00 p.m.): I rise to take part in the debate on the Sugar Industry Reform Bill that has enormous ramifications for my electorate of Bundaberg. The sugar industry must change to survive as one of our major industries and to remain viable in the long term, and this bill will implement significant regulatory change as well as changes arising from the agreement signed by the Premier, the Canegrowers chairman and the Australian Sugar Milling Council and follows consultation on the bill with industry groups. The Queensland government and the leaders of the Queensland sugar industry have committed to supporting and promoting comprehensive legislative reform to ensure the long-term future of the industry. The Queensland government's position is that reform of the industry's regulatory structure is essential to create a business environment that will promote the productivity gains essential for a sustainable future.

Both the Australian Sugar Milling Council and the Queensland Canegrowers organisation have formally recognised that the future cannot simply be an extension of the past and that previous assumptions driving production and structural arrangements need to be changed. The future of the sugar industry has been a focus of governments at both Commonwealth and state levels following years of poor seasons, worsening world prices and repeated requests for government assistance. Four separate reports have been commissioned since early 2002 into the causes of and remedies for the industry's decline. The updated CIE report found that, if the prevailing world market prices persist to 2006-07 and there is no reform, the industry would cease to exist in all regions and there would be strong regional multiplier effects. This has highlighted the urgency for the need to reform.

The reforms in this bill will remove the cane production areas, introduce a supply contract system, replace the current statutory bargaining system through a two-year transition process with a commercial arbitration system, and allow for the granting of exemptions to the sugar vesting requirements for alternative products such as ethanol or bioplastics on the domestic market. Both industry and government agree that there is no legislative silver bullet which will immediately fix the current problems. There is agreement, however, that the reforms presented in this bill will remove identified impediments to change and provide conditions needed for a more commercial and innovative industry culture and enhanced prospects for future long-term viability. This government will work with industry to see the reforms implemented.

These changes are essential. In my electorate there is overwhelming concern for the future of the sugar industry, and that concern flows through to our entire community and our entire district. It has never been more crucial that the state and federal governments and the industry itself work together to save our struggling sugar industry. The Beattie government in Queensland has shown its commitment to the industry and to the state's belief that there is indeed a future for sugar by introducing this bill into the parliament as a top priority on the first sitting day of the new parliament and by debating it at this early opportunity. Queensland's \$30 million sugar package will be made available when the bill is passed, and we will continue to work with the industry to secure the necessary reforms and to secure a stronger future. There is a strong expectation from within the industry that the Commonwealth should also make its assistance package available without any further delays.

I cannot overemphasise the importance of the sugar industry to Bundaberg. Bundaberg is known as a sugar city and Bundaberg Rum is known across the world.

Honourable members: Hear, hear!

Mrs NITA CUNNINGHAM: Sugar has always been our major industry. We currently have four sugar mills in close proximity, a refinery and distillery. In fact, I believe that Bundaberg is still the only place in the southern hemisphere where milling, refining and distilling takes place in the one complex. Bundaberg was the birthplace of the modern mechanical cane harvesters and the Bundaberg Foundry has manufactured the largest sugar mills in the world. Our port handles the export of approximately 400,000 tonnes of sugar each year to 14 countries in the world. I am advised our district has 45,000 hectares under cane this year grown by 860 families. It will be harvested by some 140 harvesting contractors, produce some 3.7 million tonnes of sugar and have a value of approximately \$111 million.

I have lived in Bundaberg all of my life. I have seen the cane cut by hand and the canecutters who came home each afternoon exhausted and black with soot. I have seen the cane fires that have been an attraction for residents and tourists during the season and also a constant reminder of a well-known couple who were tragically caught in one of those fires many years ago. I have seen the industry adapt to a surface irrigation scheme, the change to mechanical harvesting, the replacement of some of the cane trams with road transport, the construction of the bulk sugar port, the expansion of farms in 1964 and expansion of crops in the 1980s, the moving of the historic Fairymead House to the city and its conversion to a sugar museum, the changes to green stick harvesting, the part diversification by some farmers in recent times to small crops, and the wonderful news that the Beattie government will build Paradise Dam, and I can proudly say that it is right now being constructed.

But, sadly, in those years I have also seen the closure of Qunaba mill and the sales of Bundaberg Sugar and Austoft Harvesting to overseas buyers and of course its imminent closure. I have seen the sad effects in our area of drought and the 30-year battle to get that dam that was part of the original irrigation scheme but never delivered until now, and we are all aware of the current crisis in the industry. However, the sugar industry has a proud history of achievement and resilience, and that is clearly seen in Bundaberg. As the minister said in this House last Tuesday, there is a passion among our canegrowers for their industry, and I share this government's optimism for a more secure future.

But there are genuine concerns in some areas as to whether there is going to be any future at all for the sugar industry, and those concerns must have escalated following last Tuesday's *Courier-Mail* story that indicated a proposed federal package seemed to have an unhealthy focus on assisting growers to exit the industry rather than helping them to remain with dignity. After it was revealed in February—one day after our state election—that the federal government had deserted the sugar industry by leaving it out of Australia's trade agreement with the United States, its announcement in last Tuesday's *Courier-Mail* that it might now double its offer to the sugar industry clearly shows it had underestimated the backlash and it is now working on damage control. It clearly knows now that it stands to lose every federal seat in Queensland's sugar areas if it continues to sell out the sugar industry and continues to procrastinate about any assistance. It needs to be worried, because while the federal minister, Warren Truss, suggested in that same *Courier-Mail* article that patience is required, I can assure him that the industry and the entire communities that are so badly affected by the industry's downturn have run out of patience. They want positive action now.

I commend our Queensland minister, Henry Palaszczuk, and our state government for the great work done to reach an agreement with industry stakeholders on the way forward for a more positive and secure future, on the introduction of this bill in the first sittings of the new parliament and for the commitment to make our \$30 million sugar package available as soon as this bill is passed. I have met with grower representatives in Bundaberg since this bill was introduced. Although they do not agree with all aspects of it, they have assured me that all stakeholders accept and support the bill as a way forward for their struggling industry and are grateful that it is progressing so quickly through this parliament. Some have suggested to me that a reduction in fees and charges would bring a very effective benefit to growers during the early stages of diversification. I am sure that those issues will be considered. Growers would also like to see changes that would relax the harsh restrictions on Centrelink payments for growers in cases of families acquiring properties from parents. Of course, that would have to be addressed federally and I urge the federal government to include such concessions in any rescue package.

On behalf of the growers, millers, employers and employees of the many associated industries in Bundaberg, I call on both sides of this House to support this bill and to allow the necessary changes to be implemented as quickly as possible. I also call on the federal government to stop playing political games with this important industry and with the thousands of Queenslanders whose lives revolve around the sugar industry.

My electorate of Bundaberg has been built on the sugar industry. It has been its history. Sugar has provided jobs directly and indirectly to the majority of the people of Bundaberg. We cannot afford to lose it. I again commend our Queensland minister for progressing this bill so quickly. Now that the federal government has felt the heat of the electorate, I urge it to waste no more time and to make its decisions now as a matter of urgency. I urge the Prime Minister to come to the Bundaberg district to make those announcements. I commend the bill to the House.