



Speech by

Rosemary Menkens

MEMBER FOR BURDEKIN

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PRIMARY INDUSTRIES ACTS AMENDMENT AND REPEAL BILL

Mrs MENKENS (Burdekin—NPA) (4.35 pm): I rise to make a contribution to the Primary Industries Acts Amendment and Repeal Bill 2007. As we know, the two parts of this bill involve the repeal of the Banana Industry Protection Act and the amendment of the Sugar Industry Act. The repeal of the Banana Industry Protection Act is as a result of the independent review of the act which recommended the dissolution of the Banana Industry Protection Board. It does have the support of the industry group, as the various functions that were performed by this board are now achieved by the Department of Primary Industries and Fisheries under the Plant Protection Act. There still is a major requirement by the banana industry for biosecurity, but this should be a system controlled from a national perspective, because of course the introduction of pests and diseases from overseas countries is an ongoing threat in all areas of primary production and of course is and will continue to be a major concern.

The amendment of the Sugar Industry Act is to implement the first stage of the phasing out of the Sugar Industry Commissioner. This bill actually removes the functions of the commissioner as these functions relate to the role as a mediator or arbiter. The Office of the Sugar Industry Commissioner was established to administer regulatory functions of a non-marketing nature. Queensland sugar growers, millers and industry associations had need of this mediation by the commissioner when negotiations were taking place in the sugar industry. The commissioner has the function to act for the benefit of the sugar industry. The sugar industry actually involves some 5,000 cane growers and their families in Queensland and provides about 35,000 to 50,000 jobs each year. Anything that impacts on the sugar industry affects all of Queensland. The removal of this commission will leave some cane growers and farmers without a mediator or arbiter when disputes in the sugar industry arise, but it then becomes an effect of the deregulation of the sugar industry. Following deregulation of the industry, which formed part of the reforms in 2004-05, the responsibilities of the office of the commissioner have been considerably condensed even since then.

The role of the commissioner was more frequently used by industry when disputes arose regarding industry matters such as cane analysis principles. With deregulation, these responsibilities no longer exist. As the industry develops a more viable focus, it is estimated that there will continue to be very few requests for the commissioner's mediation process. The first stage of the removal of the role of the commissioner is set to be completed by June 2010, and this will allow a transitional period of three years for organisations that have contracts particularly mentioning the commissioner as an arbiter to amend or modify these contracts. The bill also removes the current obligation for Queensland Sugar Ltd to fund this position, as QSL of course as we know is now an entirely private sugar marketing company with no association to the commissioner's responsibilities.

The current prearranged term of the commissioner ceases on 30 June 2007. Owing to the condensed role of the commissioner, a plan for phasing out the position has now been put in place. It is proposed that on 30 June—next month—the first of the remaining roles of the commissioner will be phased out for new supply contracts after that date. The final role in relation to granting access rights will be detached via additional adjustments to come into force on 30 June 2010.

The only duties left for the commissioner to deal with are the granting of easements and permits for transport infrastructure through private land. Cane growers and the Australian Sugar Milling Council have agreed to fund the position of the commissioner until an evaluation of the position is finished. They have expressed concerns about the overall loss of the commissioner in further legislation introduced down the track. These groups want the commissioner to be a part-time commissioner multi-tasking in other statutory positions, such as at the Land Court or as a mines officer.

I believe that losing the commissioner will be a loss to the sugar industry. The current commissioner, Rowena McNally, has represented the sugar industry very well through the many years of turbulence that this industry has gone through. Growers and other industry representatives have acknowledged the role that she has played. I would personally like to commend her on her efforts.

There are concerns about the sugar industry. I note them in the Burdekin area, but similar concerns about the industry exist throughout Queensland, especially in light of the difficulties that the industry is currently experiencing. The industry is facing poor sugar prices and much higher costs of growing the crop. This year sees significant increases in the cost of electricity, the cost of water and, figuratively speaking, fuel and fertiliser costs have gone right through the roof. Of course, those increases in costs flow on to harvesting costs. The escalation of these costs is making it much harder for farmers to make ends meet.

Cane growers from the Burdekin area have been attending information meetings to hear how CSR growers can get a little more involved in forward pricing for the 2007 crop. At this stage the proposal is limited to the 50,000 tonnes of cane that CSR supplies to its associated joint venture refinery company, Sugar Australia, on the domestic market. Considering CSR supplies two million tonnes of sugar, 50,000 tonnes of sugar is a comparatively small amount that this proposal covers. The CSR pilot program will allow growers to lock in a portion of their sugar cane based on a sugar price offered on CSR's web site. The price will be quoted in Australian dollars and based on the New York Board of Trade No. 11 Sugar Futures Contract and the exchange rate of the day adjusted for contract costs.

Many growers are still wary of the outcome of this proposal. They would like to be sure that there is going to be access to mediation as the negotiations continue with CSR. Although the pilot proposal is not ready for release yet, there is great interest in the products that may eventuate to allow forward pricing on the export market, where pricing and selling are both managed by QSL.

No-one can deny that the sugar industry has to remain competitive, both domestically and overseas. Indeed, the need for improvement is recognised by the sugar farmers themselves as they make improvements in productive and business planning. It is a clear indication that the industry is ready and able to respond to market forces and remain viable despite low prices and massive increases in the overall cost of growing their crop.

The Burdekin has fertile soils and abundant water supplies to produce some of the best cane grown in Australia. The combination of dedicated and determined farmers to diversify to make the industry more viable is apparent by the number of young farmers who are taking over in the industry. It is really great to see the number of young farmers that we have. The government should be making sure that the younger generation is given hope of the continued prosperity of the industry, enabling them to prosper and bring up their families in this great part of Queensland.

The sugar industry in Queensland is a victim of the corrupt world trading system. It is not a victim of its own inefficiency or its unwillingness to adjust to substantial change. Cane farmers in the Burdekin stand out in front with world best practice in the area of plant production, genetics, water usage, environmental sustainability and increased productivity. The industry is well known for its approach to environmental issues and has been recognised for its contributions to ensure that its farming practices do not pose a threat to the reef or the rainforest.

Mr Cripps interjected.

Mr Mulherin interjected.

Mr Malone interjected.

Mrs MENKENS: I am disregarding the comments that I hear from the members for Hinchinbrook, Mackay and Mirani. Farmers in the Burdekin are growing more cane per hectare, yielding more sugar per tonne of cane while continuing to decrease the cost of inputs. Regardless of losing over 1,000 farmers in recent years, the state's level of raw sugar production has remained the same.

Throughout the coastal areas of Queensland, the economies of many of our towns are dependent on the profitability of the sugar industry and its continued prosperity. When the sugar prices are low, the effect on towns in those sugar-growing areas and the businesses in those areas is enormous. It is important that the government has plans to increase the profitability of the Queensland sugar industry.

Value-adding to sugar cane crops is essential. The introduction of ethanol should be high on the government's list of priorities. E10 should be sold right throughout Queensland. This government has

voted against two private member's bills to mandate 10 per cent ethanol in Queensland fuel. Currently, we are seeing a half-hearted effort on the part of the government to perhaps, or to maybe, mandate five per cent by 2010.

Mr Cripps: Not doing it until after the next election.

Mrs MENKENS: That is exactly right. I take that interjection.

Mr Mickel: Have you declared your conflict of interest yet?

Mrs MENKENS: My conflict of interest is that my family are cane farmers. I think that is quite well known by everyone. Where is Queensland in the production of ethanol? It is standing behind the door. Why is Queensland not leading Australia and the world in the production of ethanol? We are now seeing New South Wales mandating ethanol. It is disappointing to see that that state is beating us.

Queensland can produce sugar and grain as economically as Brazil, which is leading the charge on ethanol. We should be playing our part in producing clean, green fuel as well to become a major player in the world ethanol market. It does disappoint me to hear the negative comments that are still being spread about ethanol.

This bill has received acceptance by the various industry groups within the sugar industry, although the Australian Cane Farmers Association has expressed reservations about the loss of the commissioner's position after 2010. To this extent, I commend the bill to the House.