




Speech By
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MEMBER FOR THURINGOWA

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SUGAR INDUSTRY (REAL CHOICE IN MARKETING) AMENDMENT BILL

 **Mr HARPER** (Thuringowa—ALP) (8.54 pm): I rise to make a contribution to the debate on the Sugar Industry (Real Choice in Marketing) Amendment Bill 2015. A lot of the comments of the member for Burnett in his contribution were about proposed amendments to the Katter's Australian Party bill. If the LNP is going to move those amendments in order to address concerns about the Katter's Australian Party bill, I think that is ludicrous. There has been no consultation on the LNP amendments. They were circulated only hours ago and were subject to no regulatory impact statement.

Mrs Frecklington: They never normally are.

Mr HARPER: But let me continue. It should be noted—

Honourable members interjected.

Mr HARPER: Thanks very much. I take members' interjections. It should be noted that the perishable nature of sugar cane and the limited time available between harvest and crush makes the growers and millers co-dependent. One needs the other. It should also be noted that many farming communities and workers within this industry are also dependent on the best outcome of this bill before the House in relation to the growing, milling and marketing of this important and vital worldwide commodity.

Disputes between canegrowers and sugar millers have long been a characteristic of this industry before, during and following deregulation. History shows that during the early years of regulation the sugar industry was able to grow and develop within the context of the competitive environment of the day. However, the environment into which Australia's sugar is supplied has not remained static. Sugar is a major commodity and, like others, the ability to compete is largely determined by the cost of production.

The rise of Brazil as a major sugar producer following the deregulation of its industry greatly altered the competitive environment internationally. The influence of Brazil meant that other producers, such as those in Queensland, had to increase productivity and create efficiencies throughout their supply chains in order to remain competitive. The production of sugar has increased at a much greater rate and, since 1999, has largely been in oversupply. This point is particularly important to the Australian industry, as the smaller domestic market results in over 80 per cent of production being exported.

In 2003, the Queensland government released a statement in relation to the regulatory reform of the sugar industry. On Monday, 30 November, there was an open letter published in the *Courier-Mail* to Queenslanders regarding the future of the sugar industry. It was written by Mr Dominic Nolan on behalf of several sugar-producing communities from Wide Bay to the Tablelands. In that letter, Mr Nolan outlines that the sugar industry generates \$3.5 billion annually and employs over 16,000 Queenslanders. He goes on to say that, almost a decade ago, taxpayers funded a \$450 million assistance package to the Queensland sugar industry to deregulate and points to the fact that the

Queensland sugar industry cannot afford to go back to regulation. Mr Nolan points out further that, today, Queensland growers are among the most efficient in the world, mills are more globally competitive and production has increased in the last six years in a row.

In that letter, there is the further comment that Queensland cannot afford to lose this successful export industry. On that note, with the Townsville port being the biggest exporter of sugar with the bulk sugar terminal close by, this is a commodity that I and many other Townsvillians do not want to see reduced either as our port is producing some excellent outcomes in terms of exporting some 31 commodities. We can ill afford to lower the bar on sugar.

The Queensland Productivity Commission assessment highlights the risks posed to the sugar industry with the introduction of this bill. It found that the bill will lead to higher industry costs and potential court costs. I am concerned about jobs being put at risk in this important and vital agricultural sector. Last Saturday, the *Townsville Bulletin* reported what I thought was a good journalistic piece on this subject. In that article, local farmers from the Burdekin area were able to have their say on the issue. I stress that the article does not say that all growers in the area would agree, but I thought that this article on what is an effective reregulation of this industry should be shared in this debate.

The rural reporter for the *Townsville Bulletin*, Mr John Anderson, reported on 27 November in the *Townsville Bulletin* on both sides of the argument. He wrote—

If the bill is rejected and the miller Wilmar takes control of all of the sugar made in its eight mills, growers would be up in arms.

He further wrote—

On the other hand, if the amendments being put up by the Katter Australian Party are passed and the miller is denied full marketing rights over the sugar it owns and makes in its mills, future foreign investment will be placed at risk.

I do see both sides of this issue. In the last few months canegrowers from the Herbert district have met with MPs, including myself and the member for Townsville, to put their side of the story. I acknowledge the growers and representatives who are in the public gallery. They are passionate about their side of the issue. There is no doubt about that and I applaud them for their representation on behalf of canegrowers who have made it abundantly clear they want grower choice in marketing. However, to provide in my mind some balance there is a group of growers who made comment in the same story in that *Townsville Bulletin* report. A Burdekin grower, Ben Nelson, who is a member of the Burdekin Independent Growers Association, stated that the sky is the limit with these blokes—Wilmar—and they are one of the biggest sugar traders in the world. He goes on further to say that it is his belief that his future as a farmer rests with a multinational miller and that he will prosper if the company is given the opportunity to market sugar grown on his farm. Mr Nelson stated that he is one of the 21 growers who have signed to Wilmar, with more waiting for the dust to settle on this debate. He further stated that Wilmar has reinvested in mills in the area and that they are running so much better.

On one side of Townsville we have the Herbert district represented by the canegrowers here tonight and on the other side of Townsville in the Burdekin district we have 21 farmers from that Independent Growers Association who at this stage have signed with Wilmar. It is no secret that Wilmar is the world's leading sugar trader. On balance a decision has to be made and in my mind the risk of regulation to this industry is too risky. It was deregulated for good reason and at great expense to the taxpayer and I therefore will not be supporting this bill.