




Speech By
Dale Last

MEMBER FOR BURDEKIN

Record of Proceedings, 2 December 2015

SUGAR INDUSTRY (REAL CHOICE IN MARKETING) AMENDMENT BILL

 **Mr LAST** (Burdekin—LNP) (8.22 pm): Madam Deputy Speaker, I rise not only in support of the LNP's amendments to the Sugar Industry (Real Choice in Marketing) Amendment Bill 2015, but I also rise to voice my strong support and commitment to the sugar industry in Queensland which this Labor government has turned its back on.

Up to 35 million tonnes of sugarcane are grown annually, producing up to 4.5 million tonnes of raw sugar, one million tonnes of molasses and 10 million tonnes of bagasse. Approximately 85 per cent of the raw sugar that is produced in Queensland is exported, generating up to \$2 billion in export earnings for Queensland. It is the second largest agricultural commodity in Queensland, generating 15,500 jobs directly and over 70,000 jobs indirectly, accounting for 15 per cent of employees in coastal Queensland. If you add to that the \$7 billion in land and \$4 billion in infrastructure assets that are controlled by the industry, you start to get an appreciation of what the sugar industry means to this state.

The Burdekin is the largest sugar-producing region in Australia, with the value of raw sugar production alone from this years sugarcane harvest estimated at around \$500 million. The region is home to around 1,000 sugarcane farmers employing 20 per cent of the population. I am proud to represent these farmers in this parliament and to take up the fight on their behalf. Whilst it may not be a priority for Labor, agriculture will always remain a strong pillar as far as the LNP is concerned, and I am resolute in my commitment to resolve this issue. Sugar is the beating heart of the Burdekin economy, and the LNP has been proactive from the outset working with growers, producers, even millers and other stakeholders, to try and resolve the sugar marketing issues which have been plaguing the industry. The LNP has said from the outset that if growers and millers could not resolve their sugar marketing woes—after the millers' decision to cease marketing of sugar through QSL in 2017—legislation would need to occur.

The issues have been festering for a number of years, and growers came to us wanting a workable solution. Unlike those opposite, the LNP has not—and will not—turn their backs on the sugar industry. I am bitterly disappointed that the Minister for Agriculture has not taken up my offer to visit the Burdekin electorate to speak firsthand with growers and canegrower organisations regarding this issue. I wrote to the minister back in March and invited him to come and meet the sugarcane growers to gain a full understanding of the issues facing the industry, but he has distanced himself from our hardworking farmers who are desperately seeking a resolution to this dispute.

Last week we witnessed the minister perform a fly-in fly-out stunt when he visited the Invicta Mill at Giru to scaremonger and create uncertainty amongst our mill workers and apprentices. His claims of job losses in the milling sector if this legislation is passed are nothing short of shameful, because while ever sugarcane is being grown there will always be milling jobs to be had. The fact that the minister did not bother to catch up with any of the Burdekin's canegrower groups—and I am referring here to

Canegrowers Burdekin and Kalamia, Invicta and Pioneer canegrower groups, some of whom are in the gallery here tonight—is a disgrace, particularly when these groups have been endeavouring to meet with the minister for months on this important issue.

We need to get this right for the sake of the industry. We cannot afford to have our sugarcane growers across Queensland being let down by an out-of-touch minister. The passage of this bill is critical to Queensland's canegrowers. This is about creating genuine and greater competition which will benefit growers and the industry. That is right, Madam Deputy Speaker: genuine competition which can only lead to better outcomes for our farmers. I have met with our farmers from the paddock to the boardroom, and never in my life have I met a more passionate group of people with such an intimate knowledge of what is commonly known as a very complex industry. Our cane farmers have embraced world's best practice, and if there is one thing they know how to do, it is to grow sugarcane.

The mills in this instance are seeking to take away the right of growers to choose who markets their share of the sugar and channel all sugar marketing through their own commercial businesses. In so doing they will effectively be establishing themselves as a monopoly marketer. Growers are worried that, without a system to prevent it, their premiums will be expropriated to millers. They have lost trust in the mills to treat them fairly, and this distrust has been amplified over 18 months of negotiations during which time the mills have refused to consider allowing growers to maintain their right to choose who markets their share of the sugar.

Canegrowers, the Australian Cane Farmers Association and Burdekin District Cane Growers Ltd support this bill because it recognises the undisputed and long held economic interest growers have in the raw sugar produced from their cane. It provides protection for growers against millers' misuse of their regional mill monopoly power. It provides growers with a choice in how their sugar is taken to market and how its value is determined. It provides for the Commercial Arbitration Act 2013—a robust commercial dispute resolution process—to resolve deadlocks in the negotiation of cane supply agreements. It takes effect only when and if mills cannot effectively negotiate appropriate supply agreements with growers, and it provides an ability for growers to choose between a miller and other entities that may market the sugar for which growers have price exposure under their cane supply agreements with mills.

All the growers are seeking is a fair go and a fair return from their share of what is produced as a result of their investment. This state was built on the back of the sugar industry, and we have an obligation to ensure we continue to look after the interests of our hardworking canefarmers and not desert them in their hour of need. I support in principle the bill before the House.