




Speech By
Jennifer Howard

MEMBER FOR IPSWICH

Record of Proceedings, 2 December 2015

SUGAR INDUSTRY (REAL CHOICE IN MARKETING) AMENDMENT BILL

 **Ms HOWARD** (Ipswich—ALP) (8.00 pm): I rise to speak against the Sugar Industry (Real Choice in Marketing) Amendment Bill 2015. It is difficult to exaggerate the importance of the sugar industry to Queensland. Sugar is our leading agricultural crop, and the sugar industry is the lifeblood of a number of communities along the Queensland coast. With an industry located mainly along Queensland's eastern coast from Mossman to Rocky Point, Queensland contributes 95 per cent of Australia's raw sugar production. The significance of this figure is made particularly clear when we take into account the fact that Australia is the third largest exporter of sugar in the world, after Brazil and Thailand. The sugar industry in Queensland is valued at just under \$2 billion. This includes sugar production, electricity generation and the production of molasses, which is so vital to our stockfeed sector, particularly in time of drought.

Australian sugar exports as a whole are worth around \$1.5 billion in export earnings, and the Queensland sugar industry is almost entirely export focused. It is clear that the sugar industry is absolutely vital to our state's economy, and that is why we have a responsibility to ensure that we get the policy settings right in this area. We have a responsibility to the 4,400 canefarming entities growing sugar cane on a total of 380,000 hectares annually, supplying 24 mills owned by seven separate milling companies. We have a responsibility to the just over 15,000 people the sugar industry employs, which includes around 300 apprentices in training. And we have a responsibility to our regions for which the sugar industry is a major contributor to rural and regional economies and infrastructure investment, along with a significant source of local employment and training opportunities for young people.

As chair of the Agriculture and Environment Committee, I am well aware of my committee's extensive examination of this bill. For my committee, there were too many unresolved matters and concerns for the possible regulatory impacts of this bill to provide unequivocal support for the bill in its current form. Such an important piece of legislation should not proceed without there being robust and independent assessment of its regulatory impacts. So I am very pleased that the government accepted the committee's recommendation that the Sugar Industry (Real Choice in Marketing) Amendment Bill 2015 should not be passed in its current form without a consideration of the bill's impacts. My committee did not take this decision lightly. We consulted widely through industry and public hearings. We wanted to make sure that every scrutiny was given to this bill.

As members would be aware, the Productivity Commission undertook a comprehensive regulatory impact assessment of the bill, which is available to inform all members when they consider how to vote on this legislation. That Productivity Commission noted that the sugarcane industry takes issue with this regulatory impact assessment—which is not surprising given its findings. The regulatory impact assessment found that there was no market failure in the sugar industry and no case for regulatory intervention. The regulatory impact assessment found that the arrangements in the bill before the House would cost up to \$1.5 billion and take up to 18 months to implement. This is not good legislation. This is costly and time consuming and unnecessary.

When an objective analysis was undertaken of this bill, divorced of emotion, each point of the argument for the bill was refuted by the Productivity Commission. I commend the member for Dalrymple and his party for their commitment to agriculture in this state, but this is not the way forward for the sugar industry. Combined with the Productivity Commission's concerns that the bill will introduce a sovereign risk into the sector, which would make Queensland a less attractive investment option than the alternatives, my committee's findings made it clear that this bill would be bad for the sugar industry, bad for the regions and bad for Queensland. This is a dispute that should be resolved in a commercial manner by the sugar industry.