




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

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MINISTERIAL STATEMENT

Sugar Industry

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (2.15 pm): Queensland's economic success is dependent on our state being open for investment. An open investment environment means more jobs. Jobs are this government's No. 1 priority. This is especially so in regional Queensland.

I am sure that all members of this House would agree that sugar is a key industry for our state. About 95 per cent of Australia's sugar industry is located in Queensland by output. Most of that is in regional Queensland. In 2015, 33 million tonnes of sugar cane were crushed and 4.6 million tonnes of sugar were produced in Queensland. This equates to about \$2 billion in value produced and \$1.5 billion of export earnings. The industry is an important employment generator, with about 4,000 canegrowers in Queensland and up to 16,000 jobs in the sugar-milling industry. I have the greatest respect for canegrowers, as I do for the local mills and those who operate them. I also understand that without mills many people in my electorate would not have trade qualifications and, of course, there would be no place for the cane to be crushed. This is a symbiotic relationship.

It is clear that the sugar industry's future prosperity depends on continued investment. The sugar industry is also on the cusp of realising economic gains and new sources of prosperity through the production of ethanol and bioproducts from cane. To realise these gains and jobs we must keep the investment flowing into the sugar industry in regional Queensland. This is why the government did not support the Sugar Industry (Real Choice in Marketing) Amendment Act 2015, the sugar marketing bill.

The government concluded, after receipt of a regulatory impact statement from the Queensland Productivity Commission, that the legislation presented a serious risk to the long-term economic viability of the sugar industry, with potential impacts on output, costs, employment and investment. More generally, the legislation's philosophy ran counter to 30 years of Australian microeconomic reforms, including the sugar industry reforms in the early 2000s.

In terms of the current QSL-Wilmar dispute, the Queensland government position has been clear throughout: commercial solutions are needed. A further legislative intervention and the implementation of more red tape would be a backward step. The Commonwealth government's policy uncertainty is not helping matters. The arrangements in the sugar marketing bill are clearly at risk of being anticompetitive under the Competition and Consumer Act 2010. Accordingly, I wrote to Treasurer Scott Morrison in December 2015 and again in February 2016 to refer the bill to the National Competition Council for review. Treasurer Morrison declined to action Queensland's request.

In addition, the Australian government has yet to publically release the Australian Productivity Commission's report into agriculture regulation, despite the report being handed to it on 15 November 2016. The draft report of the inquiry called for the sugar marketing bill to be repealed, stating that it is likely to reduce the productivity and profitability of the industry by constraining investment and structural adjustment.

Despite our government raising this issue with the Turnbull government for over a year now, no action has been taken. The federal government's inability to take steps to ensure an open investment environment is damaging to the Queensland economy. From the beginning the Palaszczuk government has made sure Queensland is open for business and investment. When it comes to jobs in the sugar industry and jobs in the regional Queensland economies it supports, there is no other course of action we can take.