

Mr Paul Schrembri  
Chairman  
CANEGROWERS Mackay  
PO Box 117  
**MACKAY QLD 4740**

Dear Mr Schrembri

I refer to your petition tabled in Parliament on 18 September 2002 by the Members for Mackay, Whitsunday and Mirani, requesting the State and Commonwealth Governments to work with the sugar industry to assist it return to a profitable situation.

The Government is aware that the Mackay Region has had four years of minimal sugar incomes due to adverse weather and disease.

The Queensland and Commonwealth Governments acknowledged that the sugar industry is extremely important to the social and economic fabric of Queensland in its announcement of the joint Sugar Industry Reform Package and the Memorandum of Understanding (MoU) of 25 September 2002.

The Reform Package commits the Commonwealth to provide up to \$120 million in emergency income support, exit payments for farmers who choose to leave the industry, interest rate subsidies for replanting and funding for regional initiatives to support industry change and adjustment.

The Package also commits the State Government to make available an additional \$30 million to the industry over the next four years on top of the \$55 million already committed. This \$30 million is in three programs: a Sugar Industry Innovation Grant program; a Sugar Industry Change Management program; and in Farm Consolidation loans.

The Commonwealth and State Governments also agreed in that MoU to remove any regulatory impediments to the competitiveness of the industry or to the development of a more commercial culture.

As you would be aware the Reform Package of assistance was provided on the condition that there is legislative reform of the industry.

Thank you for bringing your petition to the Government's attention.

Yours sincerely

Henry Palaszczuk MP  
**Minister for Primary Industries  
and Rural Communities**

**CC:** Mr Neil Laurie  
The Clerk of the Parliament  
Parliament House  
Alice and George Sts  
**BRISBANE QLD 4000**