



MEDIA RELEASE

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Hildebrand presents the report of the Australian sugar industry assessment to the Federal Government

The head of the independent assessment into the state of the Australian sugar industry, Clive Hildebrand, today handed over his final report to Federal Agriculture Minister Warren Truss.

Mr Hildebrand, who also heads up the Sugar R&D Corporation, said the report was the culmination of a four-month investigation into the industry, particularly its key economic, social and environmental drivers.

“All care was taken to ensure the assessment was undertaken in an open and transparent manner, with all interested parties given an opportunity to contribute,” Mr Hildebrand said.

“The report includes recommendations and conclusions based on over 200 written submissions, expert reports, and the results of over 100 public and private meetings throughout Australia’s sugar producing regions.

“The report firstly acknowledges the difficult circumstances in which the industry currently finds itself. Many farmers, their families and their communities are doing it tough because of a range of problems, including low world prices, adverse seasonal conditions and the continuing competitiveness and expansion of the Brazilian industry.

“The situation is causing understandable concern in sugar dependent communities and will need to be handled carefully by the State and Federal Governments. And while the market situation is beyond the industry’s control, there are still a number of changes it could make to help position itself for a more secure and profitable future.”

Mr Hildebrand said the report recommends that industry adopt a greater regional focus in all its operations.

“I found that there is too much reliance on a State-wide approach to industry matters,” he said.

“It is clear that the effective operation of each mill area, or mill region, lies almost entirely in the hands of the local co-dependent participants. And it is important that this responsibility is accepted without resort to wider loyalties.

“There is no reason why most decisions cannot be made independently and locally, and industry and government should take all the necessary steps to encourage a greater regional focus.”

The Hildebrand report also makes several other key recommendations, including:

- rationalising the industry into larger farms or cooperatives;
- implementing a systems approach to all operations, particularly harvest and transport logistics;
- further encouraging product diversification, particularly through government assistance and partnership arrangements; and
- urgently improving the industry’s business management skills, especially at the local level.

Mr Hildebrand also acknowledges the significant effort made by the sugar industry to implement environmental reforms.

He said, however, that despite the fact that these efforts are often overlooked by those outside the industry, the sugar industry should nevertheless adopt an 'engage not defend' approach to environmental matters in the future.

"The industry should also continue to develop and promote voluntary programs, as well as independent audits," Mr Hildebrand said.

Mr Hildebrand thanked everyone who participated in the assessment.

"I received contributions from all sectors of the industry," he said. "And although it was impossible to include them all in the final report, I can assure you they were all considered.

"I believe this report represents a sound basis for planning the long-term viability and prosperity of the Australian sugar industry.

"I understand that the Government will now consider the report before announcing its response."

The full report, plus appendices, is available on-line at www.affa.gov.au/sugar. Published copies will be available shortly – please contact the Assessment Secretariat on (02) 6272 4497.

Ends.