

Agriculture and Environment Committee  
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**Re: Submission on Sugar Industry (Real Choice in Marketing)  
 Amendment Bill 2015**

Dear Committee Members,

Thank you for the opportunity to provide a submission to assist the Committee's consideration of the *Sugar Industry (Real Choice in Marketing) Amendment Bill 2015*.

The Australian Chamber of Commerce and Industry (ACCI) is the nation's peak council of business organisations and Australia's largest and most representative business association. ACCI's focus is the promotion of a world class environment for doing business in Australia which encourages private sector investment, entrepreneurship and lifts community living standards.

We would like to outline our concerns regarding this draft legislation. Following Queensland's deregulation of the sugar industry in 2006, three international agribusiness firms have purchased raw sugar manufacturing assets in Queensland (Mitr Pohl, Cofco and Wilmar International). It is widely accepted that deregulation and subsequent foreign investment in Queensland's sugar industry came at a time when the industry was on the precipice of failure and unviability. It is also widely accepted that the investment by these companies has significantly improved the efficiency and reliability of Queensland's aging sugar mill infrastructure, which has benefited both the investors themselves and Queensland cane farmers.

These companies purchased and upgraded these sugar mills, with collective investment in excess of \$3 billion, for the specific purpose of manufacturing and selling raw sugar and growing Australia's sugar industry. The draft legislation would have the effect of expropriating a significant portion of a manufacturer's processed product and would likely be financially damaging to these companies.

This type of legislative transfer of controlling interest in a downstream manufactured product would be unprecedented in Queensland and Australian business. It would also set a concerning precedent for other Queensland-based manufacturing and processing sectors.



Queensland needs to ensure it maintains its reputation as a responsible and reliable place to do business. This proposed 'shifting of the regulatory goal posts' following de-regulation would present a significant sovereign risk to Queensland's reputation as a place to invest and do business. It would likely have significant impacts on future investment in Queensland agriculture sectors; sectors which will play a vital role in Queensland's future economic prosperity.

ACCI would also like to convey our concerns that the draft legislation has been introduced without appropriate consultation with Queensland's business sector or mill companies. Introducing legislation to restructure ownership and controlling interests in manufactured raw sugar, without consulting the very manufacturing companies that actually make Queensland's export raw sugar is erroneous at best.

The process of drafting, preparing and introducing the proposed Bill has not adhered to three fundamental principles of good policy making:

- Robust regulatory impact analysis and consideration;
- Economic and social cost benefit analysis; and
- Industry consultation on the draft legislation.

The potential for negative social and economic outcomes arising from a legislative proposal absent the fundamental tenants of the due processes of policy making is substantial.

Therefore, ACCI urges the Committee to oppose the draft legislation in its entirety.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Osborn', written in a cursive style.

**John Osborn**  
Director of Economics & Industry Policy  
Australian Chamber of Commerce & Industry