




Speech By  
**Deb Frecklington**

**MEMBER FOR NANANGO**

---

Record of Proceedings, 1 March 2017

**SUGAR INDUSTRY (ARBITRATION FOR MILL OWNERS AND SUGAR  
MARKETING ENTITIES) AMENDMENT BILL**

 **Mrs FRECKLINGTON** (Nanango—LNP) (Deputy Leader of the Opposition) (9.01 pm): That speech clearly shows how out of touch this Palaszczuk Labor government is: they are prepared to put the cane-growing industry of Queensland completely last. There are canegrowers in this House sitting up in the visitors' gallery tonight who had to listen to that diatribe. What a shame! I am quite sure that the member over there will go home next week to his electorate and say something completely different, because that is what he does.

I rise to speak in support of the bill that was put before the House by the Leader of the Opposition. This is not something that we have come to as a Johnny-come-lately. In December 2015 we stood in this House and made amendments to ensure that we could protect the economic interests of canegrowers and support the sugar industry here in Queensland. Six out of the seven mills currently have contracts in place with their growers. Right now we have a deadlock for those remaining, and this bill is needed to end that deadlock—the stalemate—between Wilmar Sugar and Queensland Sugar Ltd. The Queensland sugar industry needs this stalemate resolved, and we need to ensure that our sugar industry does not end up in this situation again.

**Mr Cripps** interjected.

**Madam DEPUTY SPEAKER:** Member for Hinchinbrook, I warn you under standing order 253A.

**Mrs FRECKLINGTON:** This is a mess of Labor's making; it is simply their problem. The Sugar Industry Act 1999, which we are amending, is Labor's legislation. It sets out general rules for the industry. It is there to do a job and if it is not working—and it is not working now—then it should be changed. Madam Deputy Speaker, 1,500 canegrowers and their families, their workers and their local communities are in limbo because of the stalemate occurring right now. The lazy Palaszczuk government, and more so the lazy agriculture minister, refuse to lift a finger; that has been made very plain. The fact is that we are in this position because the Beattie government deregulated the sugar industry and failed to include any common-sense provisions to deal with ongoing marketing through QSL.

Deregulation was begun under Labor with its Sugar Industry Act 1999 and continued for the next seven years. Marketing was the last sector to be deregulated. The Beattie government and the mills told canegrowers that all would be good. 'Trust us, all will be good.' We can all remember the Beattie of those days saying, 'Just trust us.' Then Labor pulled the rug out from under canegrowers, ignoring their pleas for caution and their calls for a guarantee of continued support for their industry owned marketer QSL. Labor ignored the concerns of the growers just as Labor is ignoring the concerns of the growers today. This is a mess that Labor has created and now it is up to us on this side of the House, the LNP and the crossbenchers, to try to fix up the mess.

At the deregulation of marketing of Queensland's raw sugar exports from 2006 there was a general agreement—let us call it a gentleman's agreement—to continue the pooling arrangements with

QSL, but it was under a voluntary marketing agreement. Growers were not happy, but Labor ignored them and pressed ahead. The Labor government ignoring the needs of regional Queensland is a typical story that we hear day after day in this House.

The critical weakness of Labor's Sugar Industry Reform Act 2004 was the assumption that the system would continue in a voluntary manner. Labor's amending act failed to ensure that a sugar miller could only leave QSL when a significant majority of its cane suppliers voted to do so. At the time growers and their representatives called for this—pleaded for this—but they were simply ignored. Had this been in place we would not be dealing with the current dire situation as the 2017 season looms closer.

Let us be clear: it is a legal requirement for a grower to have a cane supply agreement in order to supply cane to a mill. I repeat: it is a legal requirement for a grower to have a cane supply agreement in order to supply to a mill. I am absolutely sure that the Palaszczuk Labor government and its Minister for Agriculture do not understand this fundamental point, and we can see their vacant stares over there. The LNP simply cannot and will not accept a situation where up to 1,500 growers are caught between the law, the miller and the market. Those 1,500 growers are simply jammed because of the failure of the Beattie Labor government to listen to common sense and those with experience in the industry, and they are jammed because they have an incompetent agriculture minister and a Palaszczuk government which simply refuses to stand up for them.

In 2010 Wilmar purchased seven sugar mills and a majority share in the refiner Sugar Australia, which owns the CSR brand, amongst others, in Australia and New Zealand. Wilmar then purchased the Proserpine sugar mill in 2011. This investment was very welcome. The investment by the Singaporean to buy eight Queensland sugar mills for around \$2 billion is still very welcome. At the time it was seen as a friendly takeover by a new owner who was prepared to upgrade and invest in the mills, and Wilmar has undertaken those major upgrades. However, it would be a massive understatement to say that what has not been welcomed is the decision by Wilmar to pull out of the longstanding arrangements with QSL. That decision, made in April 2014 and quickly followed by MSF and Tully Sugar, put the growing and milling sectors on a collision course that has taken the best part of three years to resolve.

Every other sugar-milling company except for Wilmar has been able to reach agreement with QSL and provide cane supply contracts for the coming season which offer growers choice. Thanks to the Palaszczuk Labor government and her incompetent Minister for Agriculture, we have a season that is about to start and 1,500 growers who do not have cane supply agreements, which are a legal requirement.

We hear that both parties are close to agreement. That is certainly good news. The LNP agrees—and we have always consistently stated—that commercial agreements being reached between business without government intervention is the best way forward. This is a fundamental principle that we in the LNP believe in. I hope that Wilmar and QSL do reach agreement and that contracts are made available to our growers as quickly as possible. Let us be clear: the only reason they are meeting and getting close to agreeing, as we are told, is the actions of the LNP and those on this side of the House. It is certainly not because of the Johnny-come-lately, lazy agriculture minister and this incompetent Palaszczuk Labor government.

This bill needs to be passed so that our sugar industry is never again put in this situation. I place on record my hope that the arbitration provision in this bill is never needed. We hope that after the past few years, particularly the past 12 months, sugar-milling companies, QSL and any other sugar-marketing entity are able to reach a commercial agreement in a professional, commercial and conciliatory manner; however, if this is not possible there will be an option of arbitration to break any future stalemate. I repeat: I hope this provision is never needed, but it will be available so that the current situation affecting 1,500 canegrowers never arises again. I commend the bill to the House.