




Speech By
Robbie Katter

MEMBER FOR MOUNT ISA

Record of Proceedings, 1 March 2017

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

 **Mr KATTER** (Mount Isa—KAP) (9.38 pm): The members opposite refer to agrarian socialism as though it is a bad thing. I wear it like a badge. Tonight, we are debating the imbalance of market power. I ask members to think of an agricultural pursuit in this state and they will find an imbalance of power. They will see at one end the primary producers, the price takers, and at the other end the people who are dominating the market—in this case the millers—who have a concentration of market power. That distorts the market. It does not create an effective market; it creates a dysfunctional market.

In 2015, the Sugar Industry (Real Choice in Marketing) Amendment Bill was introduced to address that market imbalance. The people of Queensland spoke with that bill. We successfully moved to not overreach in the market, but attempt to restore some balance between the powerful millers and the growers. I think by anyone's level of fairness that is a worthwhile endeavour. It is incomprehensible to put any other interpretation on the facts. If you are a canefarmer you do not have the option of carting your produce to a plethora of mills. You have one or two mills to pick from within close proximity or you become nonviable. They have all the power. When companies like Wilmar started buying up mills they were given that power on the basis that there was QSL, there was a middle man. It was approved under the condition that they knew there was an independent operator. To throw around words like 'reregulation' is highly misleading. It would almost be reregulation if you forced the growers to just go through Wilmar, which would have been the case if we did not have the sugar choice bill. We have opened up to competition in the marketing so they have a choice of two. It is very unfair and misleading to say it is reregulation.

I believe workers have a right to a fair wage and arbitration and so do primary producers. They have a right to arbitration and a fair price for their produce. Wilmar has been the one mill holding out. If the sugar choice bill did not work, why did all the others take it on board and happily go along with their business with the growers and form contracts? The one that put the full page ad in the newspaper before the last bill feels that they can flex their corporate muscles and dictate what happens in this state. Like it or not, the people's parliament of Queensland's elected members voted to restore some balance to the sugar industry. All the other mills accepted the umpire's decision and said 'That is the will of the parliament, let's get on with business and work with canegrowers,' except for the big one, the one that stands to gain all the advantage. They have interests in ships and refineries. They want to take over the marketing. Isn't it strange that they are having problems with the cane supply agreements? They seem to have difficulties with the act. It reeks of mischievous behaviour and someone using the imbalance of the concentration of marketing power in the marketplace and abusing it.

Wilmar is saying, 'We do not care what the will of the parliament and the people of Queensland is. We will keep fighting until we get our way. We are a multinational company. We run things in Queensland.' I find that offensive. They should accept the decision of this parliament, move on with business and work with canefarmers. The situation at hand is that we have one mill holding out with these canegrowers who are running disturbance. We still have problems in the arbitration space

between the growers and the millers. This bill is attempting to address that, which is a worthwhile endeavour. However, we still acknowledge that there are problems in that front end that need tidying up as well. We will put forward amendments to try to address that. It is a very difficult space to work in. There is still work to be done in that space.

I say to this parliament that if they want to keep playing games then let us take in some standard form contracts that have been used before with QSL and let them face that. I know that these mills have invested a lot, which is important, but there has also been a big investment from the 4,000 canefarmers. They invest a lot in their farms and we must recognise their investment. I appreciate the virtues of this bill. We will be supporting it and putting forward some amendments to protect the interests of the canefarmers of Queensland to make sure that they have the right to a stable and reasonable income just like other workers in this state. Farmers deserve a fair price for their produce.