




Speech By
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MEMBER FOR DALRYMPLE

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

 **Mr KNUTH** (Dalrymple—KAP) (9.24 pm): I am supportive of the opposition's amendments because time is running out for growers who need to sign a cane supply agreement and we need to put a final stop to the appalling behaviour of the multinational miller Wilmar. However, I was greatly honoured to secure the passage of the choice in marketing legislation and six mills have agreed to an on-supply agreement with QSL. Those communities are doing very well in relation to that cane supply agreement and the on-supply agreement with QSL. Had the choice in marketing legislation been defeated, there would be no protests and no town meetings with growers who mill with Wilmar as no grower would have a choice but would be forced to market with the multinational millers. We have not only secured choice in marketing but growers are able to access arbitration if a cane supply agreement cannot be reached. The Sugar Industry Act at section 33A titled 'Arbitration of disputed terms of intended supply contract' states—

- (1) This section applies if—
 - (a) a grower is negotiating, or has attempted to negotiate, a supply contract (an *intended supply contract*) with a mill owner, whether the grower is acting on the grower's own behalf or is in a group of growers that has appointed a bargaining representative to negotiate the contract on behalf of the group; and
 - (b) the grower or bargaining representative gives the mill owner a notice requiring the mill owner to use all reasonable endeavours to negotiate a supply contract within a stated period (the *negotiation period*) of at least 10 business days; and
 - (c) at the end of the negotiation period, the grower and mill owner dispute a proposed term of the intended supply contract.
- (2) The grower and mill owner are taken to have made an agreement (the *referral agreement*)—
 - (a) to refer the dispute to arbitration; and
 - (b) for the dispute to be arbitrated under the *Commercial Arbitration Act 2013* ...

Despite almost 12 months of the canegrowers negotiating in good faith with Wilmar, Wilmar has dodged, stalled and attempted to manipulate legislation and has forced Burdekin District Cane Growers to arbitration. To further stall, Wilmar has now challenged section 33A, which I just read out, to access arbitration through the courts in an attempt to deem section 33A unconstitutional. Wilmar is hoping to prolong, to delay, to stall this as long as it possibly can, and it has the money, it has the resources, it has the finances and it has the government backing. It has everyone behind it apart from the Queensland communities. The Queensland people are backing the canegrowers—not the multinationals, not the shareholders overseas. That is what the Queensland community stretching from Far North Queensland right down to the Sunshine Coast is doing. They provide valuable support to all of those communities and it is very important that these amendments pass. At the present moment, as I was saying, Wilmar is looking to prolong this as long as it possibly can, hoping to wear the farmers down. Those farmers need to provide security for their families. They need to get loans from the bank. They need the plant, but without a cane supply agreement they cannot do any of that.

While the LNP has had very little conversation outside of today with the KAP, I believe that the interests of the canegrowers are far more important than politics and MPs' job security. As I have said, we will be supporting the opposition's amendment that provides precontractual arbitration for on-supply agreements between millers and QSL. However, we will be moving an amendment to give better guidance to the arbitration process to determine the terms of a cane supply agreement. As I was saying, Wilmar is abusing the current arbitration process. It has all the money, the lawyers and the influence to continue to stall and delay. These amendments do not infringe or alter the LNP's amendments. In fact, they complement them and, as I have said before, provide better clarity. I still believe that this is not the be-all and end-all, especially when we are looking at a company that is determined to not only mill but also market. It wants to screw the farmers. The company is looking for shareholders, it is looking to provide profits for its overseas investors, but the farmers are looking to put food on their table and support their families. I prefer to back Australian farmers than multinational millers.

We have privatised Queensland Rail. Each year, there is \$1.8 billion in profit just in the coal component. Aurizon has made a profit of \$4 billion. That money could have gone back into the Queensland economy and to the Queensland people. Privatisation is bad business. The situation with the canegrowers is an example of what happens to Australian people, and Queensland farmers, when we sell out to foreign companies.

The Senate inquiry made only one recommendation, and that was to have a code of conduct. I point the finger at the federal government. One recommendation out of that Senate inquiry was to introduce and implement a code of conduct and the federal government has been dodging, weaving and hiding. This is a very serious situation. This argument is not going to stop; it is going to keep going. We need the federal government to introduce and implement a code of conduct to put companies like Wilmar in order to ensure that a fair process is put in place.

As I was saying, Wilmar has a team of lawyers and a team of financiers. Wilmar will challenge every section of the act to prolong negotiations for as long as it can. It is very important that we support this legislation and get it across the line to support the farmers of this state.