




Speech By
Stephen Bennett

MEMBER FOR BURNETT

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

 **Mr BENNETT** (Burnett—LNP) (8.34 pm): I am proud to rise to speak in support of the Sugar Industry (Arbitration for Mill Owners and Sugar Marketing Entities) Amendment Bill because I, for one, do want to stand up for the industry. I was proud to do it in 2015 and I am proud to do it again tonight, because I am greatly concerned about the sugar stakeholders involved in this stand-off, as some mills move to sell all sugar they produce after 1 July 2017. The absolute end date is approaching with no resolution on the horizon.

This has dragged on far too long and put our third largest agricultural industry at risk—an industry that supports thousands of farming families and mill workers in regional Queensland. We have seen countless streams of media releases back and forth on this issue from all sides and now, unfortunately, nothing has been resolved. We see plenty of activity from many stakeholders constantly sending out propaganda to their farmers explaining how they will do a better job than the independent industry owned QSL.

This sugar war has gone on for too long and we need to broker a resolution. We hear from those opposite a lot about this issue but no solutions. We need to invest the political capital right now to resolve this issue. While we hear about the reregulation of the industry, let us remember that the principal object of the sugar act is to facilitate an internationally competitive, export orientated sugar industry based on sustainable production that benefits those involved in the industry and the wider community. These are strong words in the act which even brings in towns which service each separate cane-growing district as part of a solid working relationship which needs to be assisted. We must show compassion and empathy to these regions. We must acknowledge that we are prepared to stand up for the farmer and the small business men and women over large international corporations who are playing this never-ending game.

We hear about sovereign risk and foreign investment. What about the billions of dollars invested in farms and farming plant and equipment on the 4,000 farms that canegrowers own and operate? The LNP welcomes the investment of foreign companies in our milling sector—a milling sector estimated to be worth \$4 billion. None of us wants to see foreign investment dry up and we acknowledge that it is important, but we also recognise the investment of our 4,000 canefarmers in land, machinery and improvements—a total investment estimated to be nearly \$12 billion.

I firmly believe that, if millers are as good as they proclaim, they should be offering growers a choice to utilise the arrangements that many other millers and growers have agreed to right across the state. The LNP made those common-sense changes to the Sugar Industry (Real Choice in Marketing) Amendment Bill in the parliament on 2 December 2015. Since then, the vast majority of milling companies have successfully negotiated with QSL regarding on-supply agreements between millers

and marketers, and provided growers with cane supply contracts which offer real choice in their marketing. This allows me to congratulate the growers and millers in my region for moving professionally forward showing maturity—

Madam DEPUTY SPEAKER (Ms Farmer): Order! There is quite a lot of conversation going on and a number of members are standing in the aisles. I ask members to resume their seats or if they need to have a conversation to take it outside. I can barely hear the member for Burnett.

Mr BENNETT: I thought I was using my big boy voice too. This allows me to congratulate, as I said earlier, the growers and millers in my region for moving forward professionally and showing maturity and getting on with the job in the best interests of our growers. I acknowledge the Bundaberg and Isis mills, along with the Maryborough mill, that have been able to work through the new marketing contracts to provide their growers with the economic choice in marketing for the grower's economic interest of their sugar.

These industries need absolute proof, one way or the other, that they are able to price and sell their sugar at a premium to what QSL currently does or not. The urgency of this debate is to have this issue resolved and support those millers and marketers who have been asked and encouraged to do this but have to date refused. Several of the millers and marketers appear to be making other claims that have been shown to be rather misleading. The industry has always made payment for the cane that is supplied to millers, calculated using a formula documented in a cane supply agreement, or CSA. The formula determines returns received—the industry income—from the manufacture and sale of raw sugar from the cane that is supplied to millers.

The formula is based on returns on capital investment by the industry players. A component of the formula links the sugarcane price to the raw sugar price. Overall, the formula reflects the above. Generally, growers receive two-thirds of the monies made from the sale and the miller receives one-third. Current and future arrangements for the marketing of Australian sugar needs our assistance, not ignorantly claiming that it is too hard.

The LNP has made its position absolutely clear—that we would stand by farmers and work with the industry to find a solution. That deadline has expired and we are now doing exactly what we said we would do: that is, to provide arbitration to break stalemates like the stalemates we now have. I strongly support the bill, and I hope others will have the fortitude to do the same.