



MEDIA RELEASE

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Sugar Code retention not sweet enough

THE Federal Coalition Government's decision to retain the Sugar Code of Conduct does not go far enough, says Hinchinbrook MP Nick Dametto.

Mr Dametto, who made a submission to the Federal Sugar Code of Conduct Review in August, said while he welcomed the Code's retention, there was no attempt made by the government to strengthen it.

"This was a weak announcement by Agriculture Minister David Littleproud today where he simply stated the obvious and not much else. The overwhelming consensus amongst growers was always going to be that they wanted the Code retained," he said.

"There were several recommendations made by industry bodies and the Australian Competition and Consumer Commission (ACCC) to strengthen the Code which were ignored by government."

In their submission to the Sugar Code of Conduct Review, the ACCC recommended placing an obligation upon mill operators to provide cane growers with "Grower Choice" (choice in how a grower markets their Grower Economic Interest in sugar produced by a mill operator) that could be activated in the Code itself. Currently, Grower Choice is only provided through the State-based Queensland Sugar Industry Act 1999 but such an amendment to the Federal Code would allow the ACCC to investigate instances where cane growers are not being provided with Grower Choice.

The ACCC also recommended installing civil pecuniary penalties, and thereby infringement notices, to be introduced for all breaches of the Code.

The government has committed to considering the ACCC's recommendations at the next review of the Code in four years time, but Mr Dametto labelled that decision misguided.

"The ACCC didn't make their recommendations so they could be considered by the government four years from now. That doesn't help our growers," he said.

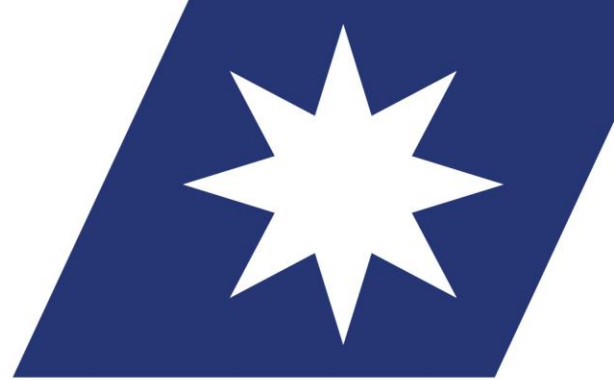
Mr Dametto said it was particularly disappointing the government planned to include an amendment clarifying that pre-contractual arbitration only applies to raw sugar and not to any other products from sugar cane.

"That will effectively prevent growers from being able to negotiate value adding of their cane crop to millers and marketers instead of focusing entirely on the value of raw sugar," he said.

"There's been previous examples of growers making a small profit from things like sugar-derived molasses and a provision for this in the Code would have provided a fairer price for the entire cane crop."

NICK DAMETTO

Member for Hinchinbrook



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As it stands, the Code of Conduct not only “regulates the conduct of growers, mill owners and marketers in relation to contracts or agreements for the supply of cane or the on supply of sugar”, but also seeks to “ensure that supply contracts between growers and mill owners guarantee a grower’s choice of the marketing entity for the sale of sugar, for which the grower bears the price exposure risk”.

“While I understand a review period was written into the Code when it came into effect in April 2017, the whole review process caused a great deal of uncertainty amongst growers who had to justify to this Federal Coalition Government why they needed to retain the Code,” Mr Dametto said.

“This may not be the Christmas present growers were after, but retaining the Code at least allows them to head in to 2019 with some certainty. I call on the government to reconsider recommendations made by industry to further strengthen the Code and give our growers a fair go.”

—ENDS—

Photo caption: Hinchinbrook MP Nick Dametto believes the Federal Government’s decision to retain the Sugar Code of Conduct does not go far enough.

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