

BURDEKIN DISTRICT CANE GROWERS LIMITED

142 Young Street
PO Box 588
AYR QLD 4807
Phone: 07 47832111
Email: manager@pcgo.com.au
ABN 30 168 732 269

Burdekin District Cane Growers Limited.
Members Update: Sugar Code of Conduct Review.
3 August 2018

Commercial in Confidence.

The Member organisations of the Burdekin District Cane Growers Limited ("BDCG"), comprising Invicta, Kalamia and Pioneer grower organisations, provide the following update to its members.

Sugar Code of Conduct:
Competition and Consumer (Industry Code - Sugar) Regulations 2017 ("Code").

- conduct between Growers, Millers and Marketers.
- choice of marketer and encourages competition.
- arbitration mechanisms, and 'act in good faith'.
- commenced 4 April 2017.
- within 18 months a Review must commence, by the latest [4 October 2018](#).
- the Review will determine if the Code continues, is amended or abolished.
- note: strong opposition again to the Code.

BDCG Code Review Objectives:

- an 'apolitical' position. Industry and community focus.
- work with Whole of Industry and our Community to achieve a quicker renewal of the Code.
- choice of marketer and competition, flow on community benefits.
- reduce uncertainty and risk to our Sugar Industry and Communities.
- Industry growth and Community sustainability through the certainty of the Code.

Code Review Working Group ("Working Group"):



- initiated by BDCG in November 2017 for a united voice of canegrowers organisations.
- Working Group committee includes representatives of various canegrowing organisations; BDCG, Queensland Canegrowers and ACFA.
- preparation of Regulatory Impact Statement ("RIS") for the Working Group's Ministers Review submission, and also as part of all individual canegrowers organisation's submissions for a united canegrowers voice and position.
- engagement of Economic Consultant Firm to assist RIS.
- formulation of RIS strategy and position.
- presentation of Working Group Review submission to and consultation with Minister and others.

Note: separate BDCG submission, Burdekin Industry structure and dynamic being prepared by BDCG, which will include relevant parts of Working Group RIS and Economic Model (with or without Code) for a united voice and position.

Working Group Prior to Code Review Announcement:

3 April 2018

- Working Group sends letter to Minister highlighting anniversary of Code and requests information as to the Code Review.

7 June 2018

- Working Group meeting, BDCG tabled the necessity to send a follow up letter to the Minister as there had been no reply for 2.5 months.
- BDCG also tabled to obtain a second economic consulting firms proposal and reconsider the scope and fees.

21 June 2018

- received Minister reply to Working Group letter sent [3rd April](#).
- Minister advised intention to commence Review early July.

22 June 2018

- engaged Economic Consultant Firm to prepare the draft RIS.
- Working Group formulation of possible submission strategies.
- awaiting Minister announcement, terms of reference and timeframes.

Code Review Commencement:

The Hon. David Littleproud MP, Minister for Agriculture and Water Resources announced the commencement of the Code Review on the 4 July 2018.

The Review will determine if the Code continues, is amended or abolished.

Working Group and BDCG has been liaising with the Federal Government, consulting with Sugar Industry stakeholders, and importantly engaging community to ensure Industry growth and Community sustainability through the certainty of the Code.

It is important to note, the Code in allowing choice of who the grower can sell their GEI Sugar through and to, encourages competition in downstream markets (ie: marketers, buyers of sugar), and therefore produces benefits for both Growers and Millers, which flow on to our community.

With greater certainty means greater investment opportunities in our community and for our community's future.

There is some concern still by some Industry stakeholders as to the Code, as recently stated by the CEO of the Australian Sugar Milling Council.

Over the last couple of years there has been numerous reviews and inquiries as to the Sugar Industry supply chain conduct at both at a State and Federal level, including a Prime Minister Inquiry and a Senate Review leading up to the commencement of the Code on the 4 April 2017.

As per the Ministers announcement the delivery of the Final Report to the Federal Government is due by end December 2018. It then has to go back to Parliament for consideration and their ultimate decision. This maybe sometime in early 2019.

Next Milestones:

[22 August](#) – Submissions close. (Working Group & Individual organisations, ie BDCG, submitted)

[23 August](#) - Federal Government commences Review and consultation process.

[1 October](#) - Government Department Report to be prepared.

31 December- Final Report submitted to Government.

Feb/Mar 2019 - Reviewed by Parliament.

Working Group and BDCG to lobby our position for the renewal of the Code and importantly a quicker timeframe. That being renewed prior to end of 2018.

Canegrowers and some Millers have different views. BDCG position is that the Code is beneficial to our Community, Growers, Millers, Marketers and the Australian economy.

Based on speculation after the recent bi-election results, it is BDCG position that the Code renewal should be renewed prior to 2018 and/or prior to a Federal election.

BDCG will be heavily engaging in all aspects of the Review process and lobbying all stakeholders.

It is critical the Code is renewed.

Grant Torta
For and on behalf of Burdekin District Cane Growers Limited.