



Political intervention puts entire sugar industry at risk

Further political intervention in the Queensland sugar industry by the LNP would put the entire sugar industry at risk.

The Australian Sugar Milling Council (ASMC) is calling on the LNP to withdraw its threat to Queensland Sugar Limited and Wilmar and let the commercial processes that are underway run their course.

ASMC's CEO, Dominic Nolan believes the LNP has announced its intention to meddle further with already flawed sugar industry legislation, not as a means to resolve the matter in a timely fashion, but motivated by pressure of One Nation gaining popularity in regional Queensland.

"QSL and Wilmar have been involved in long and hard commercial negotiations for many months.

"If the LNP leadership had bothered to check with QSL and Wilmar before their announcement on Tuesday, they would have discovered that the two parties had made significant progress in their negotiations in recent days and were close to agreement," said Mr Nolan.

"This latest political offering of further intervention has the potential to work against achieving a commercial outcome in the short term.

"And introducing yet another pre-contract arbitration process into the industry - that does not exist for any other commercial context in Australia - would guarantee extended delay to reaching an agreement.

"This puts politics ahead of Queensland families and Queensland jobs.

"The LNP is putting at risk vitally important jobs and investment across regional Queensland. The direct economic contribution of the sugar industry to Queensland in 2016/17 will be in excess of \$4 billion across growing, milling and refining activities. The milling sector alone will be more than \$2 billion."

Mr Nolan said if this politically motivated action delays the commercial outcome that was so close, it only serves to create even more uncertainty for growers and their families, for the 4,500 mill employees and their families, and the regional communities that rely on the sugar industry as a key economic driver.

"All mills opposed the 2015 legislation that the LNP supported. It was flawed from the start, mills were not consulted and identified from day one the many failings of the political interference. Despite this, with that legislation in place all mills have done everything possible to progress commercial arrangements with growers and marketers ahead of the 2017 season," said Mr Nolan.

"Most have arrangements in place, and all mills want to get on with business.

"Some mill companies have determined to cautiously move forward with investment in Queensland despite the 2015 legislation, but on the basis of a stable regulatory environment going forward. No companies want to see this legislation opened back up (unless it is to remove the 2015 amendments).

"I want to stress in the strongest terms that this political intervention is moving the sugar industry steadily back to the regulated days gone by, despite the fact the industry was paid \$500 million out of the Australian taxpayers purse in the mid-2000's to deregulate."

"Our industry is still feeling the negative impact of the flawed legislation sponsored by the LNP in 2015, we have absolute bitter experience that political intervention doesn't solve anything, and we are once again caught up in politically motivated policy on the run.

"This is a bad development for all mill companies, and for the Queensland sugar industry".

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For further information contact Dominic Nolan CEO - 07 3231 5000 / 0419 287 734