

MACKAY

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Regulation of Australian Agriculture  
Productivity Commission  
Locked Bag 2, Collins Street  
MELBOURNE VIC 8003

Dear Commissioner

**Re: Response to the Commission Draft Recommendations on the Regulation of Agriculture**

CANEGROWERS Mackay apologises for the delay in sending this letter of support for the Queensland Canegrowers Organisation, QCGO, submission which is also enclosed. Along with QCGO, CANEGROWERS Mackay welcomes the opportunity to respond to the Productivity Commission's draft report "Regulation of Agriculture".

CANEGROWERS Mackay represents 1,000 Growers and their families across four mill zones and two milling companies, Mackay Sugar Limited and Wilmar Sugar. These Growers and their families are an integral part of the economic and social fabric of many communities, Mackay, Sarina, Calen, Bloomsbury, Finch Hatton, Walkerston, Marian, Mirani, Koumala, Carmila, Ilbilbie, Mt Ossa, Eton, Farleigh, Homebush, Gargett, Habana, Glenella, Pleystowe, The Leap etc.

CANEGROWERS Mackay has considered the draft report and supports many of the recommendations made. CANEGROWERS has made specific comments on selected recommendations and is neutral on the others. CANEGROWERS also supports the National Farmers Federation (NFF) and Queensland Farmers Federation (QFF) submission comments and recommendations. In doing so we encourage your Commission to consult further with the NFF in developing your final report.

We take the opportunity in this submission to point out that our industry has serious and grave concerns about the conclusions drawn in your draft report with respect to regulation of sugar marketing in Queensland. It appears that the Commission has not taken full account of the effect and likely impact of the *Sugar Industry (Real Choice in Marketing) Amendment Act 2015 (Qld)* (the "Act").

CANEGROWERS absolutely rejects Draft Recommendation 11.2 and the recommendation should be removed from the report.

The *Sugar Industry (Real Choice in Marketing) Amendment Act 2015 (Qld)* recognises the economic interest both growers and millers have in the final sale price of sugar. It protects competition in the provision of marketing services by enabling both millers and growers to choose how their respective

economic interest sugar is taken to market. The freedom to choose is a key enabler of competition and innovation.

The Act does not compel millers or growers to any course of action. It facilitates negotiations and encourages growers and millers to reach agreement and merely provides for a minimum default position in the event that agreement cannot be reached. In this way the Act ensures that there are appropriate protections for growers against the potential abuse of market power by mills.

CANEGROWERS Mackay fully supports the contents of the attached submission by QCGO and encourages the Commission to fully consider the submission, along with the representations made supporting the submission, at the hearings in Townsville and Brisbane, where representations will expand on any of the issues raised in this submission, particularly draft recommendation 11.2.

Yours faithfully

Kerry Latter  
Chief Executive Officer