



29 September 2014

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Mr Tim Watling
Committee Secretary
Senate Rural and Regional Affairs and Transport
References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Email: rrat.sen@aph.gov.au

Dear Mr Watling

**Submission to the inquiry into the current and future arrangements for
the marketing of Australian sugar**

Thank you for your letter of 8 September 2014 regarding the inquiry into the current and future marketing arrangements for Australian sugar and inviting Tweed Shire Council to make a submission.

Announcement of the inquiry is welcomed and considered essential in providing certainty about the future of one of the most significant agricultural industries in the Tweed. The changes occurring in sugar marketing in Australia poses a real threat to an agricultural industry that contributes significantly to our local economy and social fabric.

This submission does not attempt to provide specific responses to each of the Terms of Reference but rather provide an indication of the importance of the sugar cane industry to the Tweed local government area; relay our concerns about the proposed changes in sugar marketing and the need for transparent marketing arrangements that provide some certainty for growers, and if possible support mechanisms that protect this industry from unfair trade arrangements.

The sugar industry is an important part of our local economy and represents the highest value agricultural product in the Tweed Shire. In 2010/11 the value of production attributed to sugar cane in the Tweed was in excess of \$16.8m which represents approximately 30% of the value of total agricultural production in the shire and 27% of total sugar production in the state. The local cane industry continues to compete on the global market and has been able to withstand a range of environmental, social and economic pressures through innovation and collaborative working relationships with its stakeholders including Tweed Shire Council.

The industry provides additional economic benefits beyond its direct agricultural output, generating employment and commerce for a range of small businesses in the Tweed. The revenue generated through sugar production enables reinvestment to sustain other agriculture industries including cattle grazing and horticulture through farm diversification activities and joint ventures between farmers. Furthermore, the industry makes a significant contribution to renewable energy generation from sugar cane waste products with the local Condong Sugar Mill generating electricity for up to 60,000 homes.



Sugar cane cultivation is the principal land use over 8000 hectares of the Tweed's coastal floodplain and is currently the only economically viable land use due to constraints on development and otherwise limited agricultural potential.

Tweed Shire Council is currently developing the Tweed Shire Rural Land Strategy that will set a blueprint for the future of rural land use in the Shire. A Resource Inventory and Land Capability Assessment prepared in December 2013 in conjunction with the Strategy highlights the importance of cane farming as the principal land use on the coastal floodplain.

The sugar cane growing areas of the coastal floodplain are an inherent part of the local landscape which combined with the attractive beaches and World Heritage rainforests is a key drawcard for tourists and new residents. Furthermore, the people of the Tweed through the Tweed Shire Community Strategic Plan 2011 - 2021 have identified a need to foster a viable farming community and improve the environmental capacity of Tweed farmland. The Tweed depends on continuation of the stewardship role provided by sustainable cane farm operators in order to achieve the environmental outcomes that our communities desire.

Tweed Shire Council is concerned about the proposed direction of sugar marketing in Australia and the threat it poses to the viability of cane farming operations in the Tweed. The sugar grown in the Tweed is largely sold on the domestic market which leaves the local industry exposed to the competitive behaviours of some raw sugar importers.

Tweed Shire Council calls on the Committee to ensure that appropriate mechanisms are in place that enables the continuation of transparent sugar marketing and to prevent anti-competitive activities by foreign interests. The 'single-desk' approach currently utilised provides an appropriate level of transparency required for growers to be confident that marketing decisions are made in the best interests of the industry.

Sugar cane farming operates at the heart of the Tweed, both economically and geographically, and socially, and is considered a long term stable component of the Tweed in all aspects. The loss of this industry will have significant flow-on effects across not just the agricultural sector, but a diverse range of associated industries.

Tweed Shire Council is concerned for the livelihoods of hundreds of local growers and the potential flow-on effects to small business from the future marketing intentions of the largest sugar millers. I look forward to the outcomes of the inquiry and trust that the Committee will develop recommendations that ensure the sustainable future of the industry, for both millers and growers, in the Tweed.

Yours faithfully

Troy Green
GENERAL MANAGER