

## **Explanatory Notes**

### **Amendments During Consideration in Detail (by Shane Knuth MP)**

#### **Title of the Bill**

Sugar Industry (Real Choice in Marketing) Amendment Bill 2015

#### **Policy Objectives of the Amendments**

The proposed amendments to be moved during consideration in detail amend the Sugar Industry (Real Choice in Marketing) Amendment Bill 2015 (the Bill):

- To amend the commencement provision so that the Act will commence by assent, rather than a day to be fixed by proclamation;
- To clarify that growers and growers' representatives, appointed as bargaining representatives, can give a notice requiring a mill owner to use all reasonable endeavours to negotiate a supply contract within a stated period;
- To affirm that each party must bear the party's own costs of arbitration;
- To provide transitional provisions so as to accommodate existing cane supply contracts as well as current agreement periods for existing raw sugar supply agreements, until 1 July 2017 unless earlier terminated; and
- To insert the definition of a grower.

#### **Achievement of Objectives**

The policy objectives will be achieved by amending the Bill. This will result in the Bill commencing by assent and provide transitional provisions so as to accommodate existing cane supply contracts as well as current agreement periods for existing raw sugar supply agreements. It will also clarify that bargaining representatives can give a notice requiring a mill owner to use all reasonable endeavours to negotiate a supply contract within a stated period as well as affirming that each party must bear the party's own costs of arbitration. The definition of a grower will also be inserted.

#### **Alternative Ways of Achieving Policy Objectives**

The policy objectives can only be achieved through amendments.

#### **Estimated Cost for Government Implementation**

It is anticipated that there will be no cost to Government, although in the event of costs being incurred it is reasonably expected that these will be met by existing agency resources.

#### **Consistency with Fundamental Legislative Principles**

The amendments are consistent with Fundamental Legislative Principles.

#### **Consultation**

Consultation was undertaken with growers and growers' representatives on the Bill. Further consultation with these stakeholders has informed the amendments.

## Notes on Provisions

**Amendment 1** amends Clause 2 so that the Act will commence by assent.

**Amendment 2** amends Clause 6 to clarify that growers and growers' representatives, appointed as bargaining representatives, can negotiate supply contracts with mill owners.

**Amendment 3** amends Clause 6 to clarify that growers and growers' representatives, appointed as bargaining representatives, can give a notice to a mill owner to use all reasonable endeavours to negotiate a supply contract within a stated period.

**Amendment 4** amends Clause 7 and is consequential for the purpose of *Amendment 5*.

**Amendment 5** amends Clause 7 to affirm that each party must bear the party's own costs of arbitration.

**Amendment 6** amends Clause 9 to provide transitional provisions so as to accommodate existing cane supply contracts as well as current agreement periods for existing raw sugar supply agreements, until 1 July 2017 unless earlier terminated.

**Amendment 7** amends Clause 10 and is consequential for the purpose of *Amendment 8*.

**Amendment 8** amends Clause 10 to insert the definition of a grower.