

# SUGAR CODE OF CONDUCT REVIEW

## Understanding the Code and why it matters

### Why does the Sugar Code exist?

Queensland's sugar industry was progressively deregulated in the early 2000s, with many mills later coming under the ownership of large corporate and foreign-owned companies. While the industry structure changed significantly, growers remained tied to a single mill area and, in most regions, still only have one practical place to send their cane.

Unlike many industries, cane growers cannot simply "shop around" if negotiations break down because cane is highly perishable, and transport distances are limited. The Sugar Code of Conduct was introduced in 2017 following major industry disputes over grower marketing rights, to help create fairer commercial negotiations between growers and millers.

### What does the Code do?

In simple terms, the Code creates legal ground rules for negotiations between growers and millers. It:

- requires both parties to negotiate in good faith;
- provides access to independent arbitration if negotiations collapse;
- protects growers' ability to choose who markets their GEI sugar;
- creates structure and transparency around cane supply and marketing agreements; and
- helps prevent "take it or leave it" commercial pressure in one-mill districts.

The Code does not guarantee high prices or remove commercial risk. What it does do is help ensure growers have legal protections in a market where competition is limited.

### Why this review matters

This review will help decide whether growers keep the protections provided by the Sugar Code. CANEGROWERS believes the Code should be **remade**, not allowed to expire.

We are preparing a detailed submission, consulting with district organisations and industry stakeholders, and will argue for the Code's core protections to be retained, with practical improvements where needed.

### Why is the code being reviewed?

The Sugar Code is being reviewed because it is scheduled to automatically expire, or "sunset", on 1 October 2027 unless the Federal Government decides to remake it. The review will look at whether the Code is still working for the sugar industry and whether it continues to support fairness, transparency and clear processes between growers, millers and marketers.

The review will recommend whether the Code should be: **remade in its current form, remade with changes, or allowed to expire.**

### Why do some milling companies oppose the Code?

While many milling companies support retaining the Code, others argue the Code increases regulation, restricts commercial flexibility and they object to pre-contract arbitration. Some milling companies also oppose grower marketing choice, arguing it adds complexity and reduces efficiency.

### What did the last independent review conclude?

The 2018 independent review found the Code should remain in place, because:

- the sugar industry is not a normal competitive market;
- growers remain in a weaker bargaining position than millers;
- arbitration acts as an important "circuit breaker" during disputes;
- the Code has delivered a net benefit to the industry overall; and
- grower marketing choice should remain protected.

The review acknowledged millers' concerns around regulation and compliance costs, but ultimately concluded the benefits of the Code outweighed those concerns.

For growers, the outcome of this review could affect:

- growers' bargaining position in future supply negotiations;
- access to independent arbitration when disputes cannot be resolved;
- grower marketing choice;

CANEGROWERS encourages all growers to have their say. Your experience matters and can help show why these protections are still needed.

Growers can make a submission or complete the online survey here:  
[haveyoursay.agriculture.gov.au/sugar-code-review](https://haveyoursay.agriculture.gov.au/sugar-code-review)

Submissions close 16 June 2026