

9.6.4 Third party deductions

CSR may make deductions and other charges out of payments due to a grower where the grower has provided a written authorization.

9.7 Goods and Services Tax

9.7.1 General Principle

For the purposes of this Agreement, it is the intention of the parties that the process used to determine the value of cane, and allowances, penalties or deductions applying to the value of cane, or to be paid in addition to the value of cane, should first be to determine such value as though the GST does not in any way apply. Accordingly, all references in this Agreement to values for cane, sugar, allowances, deductions or penalties are exclusive of GST.

For the calculation of actual payments to growers, the value as determined above is adjusted by the appropriate rate of GST applicable thereto.

9.7.2 Recipient Invoices

Where a goods and services tax (GST) applies to any supply made under or in connection with this Agreement, or any extension of it, the recipient (mill owner) may, subject to providing a valid tax invoice identifying the GST on each component of the supply of cane, adjust the amount payable for the supply to provide the supplier with an additional amount on account of GST, such amount not to exceed the amount of the supplier's liability for GST in respect of the cane supplied and to be recoverable from the recipient at the same time as the amount payable for cane supplied; and

9.7.3 Application to Cane Pay

The value of IPS Sugar to be used in the cane payment formula is the price exclusive of GST and can be calculated as follows;

$$\text{Value of IPS Sugar (without GST)} = \text{Price of IPS Sugar (with GST)} \times 10/11$$

$$\text{Price of Cane} = \text{Value of Cane} \times (1.1). \text{ Currently the GST rate is 10\%}$$

$$\text{Value of Cane} = \text{Cane Payment Formula using the Value of IPS Sugar instead of the Price of IPS Sugar}$$

Notes:

- **Value is always exclusive of GST, Price is always inclusive of GST**

- **The GST rate applied**, currently 10%, is pursuant to A New Tax System (Goods and Services Tax) ACT 1999 and A New Tax System (Goods and Services Tax) Regulations 1999. The GST rate used in the above calculations will be the rate applicable at the time and at any time may be amended to reflect any change in the GST rate.
- The calculation of GST on the sugarcane payment will occur on the net payment after any allowance and penalties have been included.

10 CANE NOT REQUIRED TO BE ACCEPTED BY CSR

CSR is not required to accept for crushing:

- (a) cane infested with a pest;
- (b) cane having in or on it a chemical residue in an amount more than the maximum residue limit of the chemical prescribed for cane under the Chemical Usage (Agricultural and Veterinary) Control Act 1988 or cane exposed to or having on or in it a chemical as prescribed under a regulation;
- (c) cane containing less than 7% of commercial cane sugar, provided however that any cane delivered prior to the date gazetted as the "Queen's Birthday" public holiday in Queensland (or, if no such date, the second Monday in June) that is analysed under 7 CCS will be paid as 7 CCS in the relative payment system;
- (d) cane grown in contravention of any condition of the Act or this Supply Agreement;
- (e) cane varieties which are not approved.

Where cane is analysed as containing less than 7% of commercial cane sugar, the Grower shall receive no payment for the cane, except that where a Grower consigns a rake of cane to the Mill for the purpose of determining whether the CCS of the cane exceeds 7% CCS, and analysis of the cane determines that the CCS is less than 7%, CSR will pay the harvesting cost published by the Burdekin Cane Grower's Association on up to the first 100 tonnes of such cane.

11 DELIVERY AND ACCEPTANCE OF CANE

11.1 Delivery of cane

Cane is delivered to the Mill if it is delivered or tendered for delivery in accordance with this Agreement.

11.2 Acceptance of cane

Acceptance of cane by CSR comprises:

- a. the handling of sugar cane from the point of delivery to the Mill;
- b. its crushing; and
- c. the acceptance of liability for its payment in accordance with this Agreement.

11.3 Action not taken to be acceptance

No action by CSR is deemed to be acceptance of the cane, other than the acts specified in clause 11.2.

12 GENERAL CONDITIONS

12.1 Force Majeure

In accordance with section 52 of the Act, neither CSR nor any Grower shall be liable for any breach of the provisions of this Agreement if that party's inability to comply with such provision is caused by natural disaster or other event or circumstance affecting cane growing, harvesting or crushing beyond the reasonable control of the party in breach.

12.2 Dispute Resolution

12.2.1 Extent of dispute resolution provision

If a dispute arises:-

- (i) within the Negotiating Team about the variation of this Agreement under Clause 3.5; or
- (ii) within a future Negotiating Team during the negotiations for the next collective agreement for the Invicta Mill area; or
- (iii) about the meaning of this Agreement between CSR and a Grower or Growers bound by the Agreement

the dispute shall be resolved in the manner hereinafter prescribed.

12.2.2 Method of Resolving Disputes

Such dispute shall be referred for resolution to an independent arbitrator to be mutually nominated by the parties to the dispute and failing mutual appointment to be appointed by the President or by the person for the time being fulfilling the office of the President of the Queensland Law Society Inc. whose decision or award shall be conclusive and binding on the parties to the dispute.

12.2.3 Costs of Resolving Disputes

Each party shall bear its own costs with the costs of the arbitrator being shared equally by CSR and the Committee.

12.3 Governing Law

This Agreement shall be governed by the laws of Queensland.

PART II – SEASONAL SUPPLY ISSUES

Part II of the Agreement deals with the management of the production, delivery and receipt of sugar cane. It is essentially those matters that come from the old Local Board Award. This part of the Agreement may be renegotiated in part or in total each year, without impact on the review process, effect, or duration of Part I of this Agreement. Any changes effected in this process of renegotiation must not affect any established processes of Part I, except where unanimously agreed by the Negotiating Team.

13 ESTIMATES

13.1 Progressive estimates

CSR shall make an estimate of each Grower's crop before crushing begins, eight weeks afterwards, and at six weekly intervals during the remainder of the season and at a time not less than three weeks before the expected date for the cessation of crushing. Every Grower shall be notified in writing of that estimate on each occasion, and appeals may be made within seven days of receipt of notice in the event of a dispute. Growers whose cane is toll crushed will be notified by the receiving Mill.

13.2 CSR to provide information to Committee

CSR shall give the Committee a consolidated list, showing the current estimate and the daily tonnage allotment for every Grower on each occasion that Growers are informed of estimates.

13.3 Committee may obtain cane production area plans.

The Committee is authorized to obtain from CSR copies of the plans of the cane production area of any grower and to enter upon any grower's cane production area and/or take such steps as it may consider necessary, by the appointment of surveyors or otherwise, for the purpose of checking such grower's area and/or tonnage.

14 ALLOTMENTS

14.1 CSR to make allotments.

CSR shall allot to each grower or group of growers in the Collective Agreement and to each grower or group of growers in an Individual Agreement a daily delivery tonnage in proportion to which his or their estimated delivery tonnage bears to the total estimated delivery tonnage so that the total of such allotments shall be equal to the crushing capacity of the mill. Upon application being made by a grower or group of growers seven clear days before the commencement of crushing, priority shall be given subject to the consent of the Committee to the delivery of standover or pest or disease damaged cane.

14.2 Allotment notices to be given to growers.

Following an estimate, an allotment notice shall be sent to each grower, showing:-

- The individual crop estimate
- The estimated number of weeks left for crushing.

14.3 Allotment of Bins

Bins shall be allotted and supplied by CSR to growers sufficient to enable the supply of such daily quantity by each grower. Bins shall have a nominal carrying capacity of 4.5 tonnes or 6.0 tonnes and will be allotted on that basis for the first week and thereafter on the group's progressive seasonal average

15 CHANGES IN ALLOTMENT

15.1 CSR to advise of stoppages.

Should any stoppage at the mill, due to accident or other causes outside the control of CSR involve the temporary cessation of harvesting, or should accidental cane fire, frost or urgent necessity involve an alteration of delivery of allotments, CSR shall promptly notify all growers concerned at that time and shall indicate as far as possible the probable length of stoppage. The Committee shall be advised of any stoppage.

15.2 Alteration in allotments.

Any alteration in the allotment as above shall be subject to adjustment in subsequent delivery allotments.

15.3 Growers exceeding allotted rate of delivery.

In the event of any grower exceeding his allotted daily rate of delivery, whether by overloading or otherwise, his allotment may be so reduced as to prevent him supplying more than his allotted quantity in any week. In the event of any grower supplying less than his allotted daily tonnage, whether by under loading or otherwise, the number of bins may be increased to ensure his supplying his full allotted tonnage in any week.

15.4 Alteration of allotments for cane accidentally burnt.

In the event of cane being accidentally burnt, the field staff may notwithstanding the foregoing provisions, make such temporary alteration of bin allotments of other growers as,

in its absolute discretion, will enable a fair proportion of the burnt cane to be harvested as expeditiously as practicable.

16 PENALTY FOR NON-SUPPLY

Should a grower fail to fill his daily allotment of bins, and does not make arrangements with CSR for an alternative source of supply, he may be liable for a penalty of up to \$2 per tonne for each tonne of cane short of his daily allotment, subject to consultation and confirmation with the Committee. CSR shall credit such sums to a special account and shall distribute the money among all growers in proportion to the tonnage they have delivered, with end of season payments.

17 GROUP HARVESTING

17.1 Grouping for Harvesting

- (a) For the purpose of permitting Growers to harvest their cane in an economical and efficient manner, they may group together for harvest. Such groupings of Growers should be, where possible, on the basis of general proximity to each other within each line or scheduled delivery runs. A Grower who solely owns his own cane harvesting machine for the purpose of harvesting his own cane only may, after consultation with CSR, harvest his own cane provided that it is all in the same geographic locality and can be delivered in an orderly and efficient manner. To permit CSR to plan and operate his transport system in an orderly and efficient manner. The permit CSR to plan and operate its transport system in an orderly and efficient manner, such groups as applied for by the cane growers concerned, require the agreement of CSR.
- (b) Groups of growers for harvesting or growers harvesting only their own cane shall be taken to be the same as for the previous season except where application has been made to vary those arrangements in accordance with Clause 17(f). Such application should be in writing and received by CSR by 1st March. Late applications will be accepted and processed by CSR in accordance with this clause where a reasonable change of circumstances has occurred.
- (c) CSR shall advise growers of its agreement or otherwise to the requested grouping by 31st March. CSR shall not unreasonably withhold consent to any proposed grouping or individual grower who applies to harvest only his own cane, provided the proposal does not impose an adverse financial effect on CSR.
- (d) Growers will be given until 21st April to negotiate with CSR to try to find a solution satisfactory to both parties where a grouping application has been refused.
- (e) Any person aggrieved by a decision of CSR made under Clause 17 (a), (b) or (c) of this Award who has not been able to negotiate a satisfactory outcome by application of sub-

clause (d) hereof may apply to have the matter reviewed by the Cane Production Board which, upon review, shall give due consideration to all the issues relevant to the matter and, if it thinks fit, may substitute its own decision for such decision. A notice requesting a review must be lodged with the Chairperson of the Cane Production Board not later than 28th April.

- (f) Groups in existence during the currency of any crushing season may be varied by consultation between the grower or growers and CSR where disputes which are unlikely to be resolved have broken out within a group of growers or between a grower or growers and a harvesting or haulage contractor. Groups varied in the previous season under this sub-clause are not automatically covered by Clause 17.1(b) above and application under Clause 17.1(a) above will be required for the forthcoming season.

17.2 Factors to be used in the Interpretation of Clause 17.1 by the Cane Production Board:

- (A) *The aims of the grouping arrangements* - The following aims should be considered on an equal value basis but the Cane Production Board should utilize the order of the aims as recorded below as an order of priority, should it be required to distinguish between the importance of the aims in its decision-making process.

- (a) To provide for an efficient and reliable mill cane transport operation of the delivery of empty cane bins and the collection of full bins for delivery to the mill.
- (b) To encourage and promote the concept of geographical grouping for harvesting.
- (c) To give the opportunity to both the mill and the individual grower to operate efficient and financially viable businesses within the grouping framework, providing that it does not adversely affect any section of the local industry and economy.
- (d) To consider the viability of groups and existing or proposed delivery points.
- (e) To take into account disputes within groups.

- (B) Guidelines for geographical grouping for harvesting:

- (a) Geographical grouping means that a grower is a member of the group which delivers cane to his closest siding.

Notwithstanding this, clauses (b) and (c) below provide some flexibility to geographical grouping but should only apply:

- (i) where a demonstrated need can be established **AND**
 - (ii) if they do not unduly disrupt the provision of an efficient and reliable mill cane transport operation.
- (b) The delivery of cane to a Grower's next nearest siding rather than his closest siding.
 - (c) The use of shared sidings subject to the following specific conditions:

- (i) No more than 2 groups may use any one siding.
- (ii) Both groups agree in writing to share the siding and to operate its use effectively without disruption to the mill cane transport operation.

18 CONSIGNMENT

18.1 Consignment notes.

A separate consignment note shall be completed for each rake and put into the siding box, at the point of delivery, at the time of loading.

18.2 Disputed consignments.

When two Growers purport to consign the same bin of cane in the same delivery and of the same class and variety, this bin shall be placed in suspense until ownership is established, to CSR's satisfaction.

19 WEIGHING OF CANE

This shall be done at the mill weighbridge, bins to be correctly positioned and stationary. The net weight of cane being the difference between the weights recorded before and after tipping.

20 WEEKLY ADVICE SLIPS

A memorandum showing the date, total number of bins, total weight of cane, paddock number, variety, class and the CCS of cane for each rake of bins delivered and also showing the mill weekly average CCS and the growers relative CCS for the week, shall be posted to each grower weekly. Details of any deductions under this Agreement shall be included with the memorandum.

21 PICK-UP CANE

CSR, as expeditiously as possible, shall pick up cane which falls from bins along mill tramline and credit it to the grower from whose bin it fell.

22 UNCLAIMED CANE

Cane in suspense which cannot be identified within seven days of the end of crushing shall be credited to the Committee.

23 STANDOVER CANE

If a grower wishes to leave cane to stand-over until next season, he shall give CSR at least six weeks, notice in writing before the end of the current season.

24 CANE QUALITY

24.1 Maximum quantity of burnt cane.

On each occasion the quantity of cane burnt for harvesting shall not exceed the allotment for the next two (2) days for the period of the season from its commencement to and including the last day of September. From 1st October till the cessation of the crushing the quantity of cane burnt for harvesting shall not exceed one (1) days allotment.

25 DEDUCTION FOR BURNT CANE

25.1 Amount of deductions

CSR may make the following deductions:-

On or before the second day after burning 9.8 cents per tonne.

On the third day after burning 20 cents per tonne.

On the fourth day after burning 35 cents per tonne.

On the fifth day after burning 55 cents per tonne.

On the sixth day after burning 80 cents per tonne.

25.2 Deductions if CSR responsible for delay

If CSR is responsible for delay in delivery or for a fire, the deduction of 9.8 cents only shall be made.

26 REFUSAL TO ACCEPT SUGAR CANE

CSR may refuse to accept sugar cane delivered or proposed to be delivered-

- i. If the sugar cane has been or would be delivered more than five (5) days after burning.
 - ii. If, considering its history and condition, the cane is reasonably regarded by CSR as unfit for the manufacture of raw sugar: Provided always as follows:-
 - a. CSR, immediately upon refusing acceptance of any sugar cane under subclause 26(i) and 26(ii) hereof, shall notify the Grower of such refusal and the grounds therefore by the most rapid means of communication available; and
 - b. The sugar cane of which acceptance has been refused shall be retained by CSR so that it can be inspected by the person appointed to resolve disputes under this Agreement, which inspection may be requested by either CSR or the Grower.
2. The period of five (5) days referred to in subclause (a) above may be extended if there is a Burnt Cane Agreement in existence and made between CSR and the Committee and which provides for an extension of this period.

27 BADLY TOPPED, DIRTY OR TRASHY CANE

If in the opinion of CSR, any bin of cane received is unsatisfactory by reason of containing an unreasonable quantity of trash, tops, soil, dried-up or rotten cane, or other foreign matter, CSR may take action as follows with respect to any cane of such grower which is unsatisfactory as aforesaid, CSR may make in respect of such cane which is unsatisfactory as aforesaid a deduction not exceeding 30 cents per tonne where the cane is trashy or dirty or badly topped, or a deduction not exceeding 60 cents per tonne where the cane is very trashy or very dirty or very badly topped, provided that –

(i) no such deduction shall be made without the prior approval of the Cane Tester who has inspected the cane in question; and

(ii) notification in writing shall be forwarded to the grower as soon as practicable thereafter.

Alternatively-

(i) CSR may withhold acceptance of the cane until the grower has cleaned it; or

(ii) If the cane has been received, CSR may send it back to the grower at the grower's expense and may be written notice withhold further acceptance of it until it has been cleaned; or

(iii) If the cane has been received, CSR may clean it at the grower's expense.

If and while bins are held up on account of any of these matters, CSR may make a corresponding reduction in the daily allotment of bins to the grower, and such grower shall not thereafter have any right to a greater number of bins than would otherwise have been allotted to him.

28 BILLET QUALITY.

The cane harvesting machine shall be set and maintained so as to provide sound billets of cane of an average length of not less than 23 cm (9 inches) and the quality of cane shall be visually monitored by CSR to ensure the standard length is maintained and that shattered and broken cane is not being unnecessarily delivered.

Where the billet standard is not met by any grower or group of growers, the daily bin quota may be suspended until the necessary repairs have been made to the harvester to ensure compliance.

29 CONDEMNED CANE

In the event that CSR has refused to accept cane for crushing pursuant to the provisions of this Agreement, CSR shall notify the grower of refusal of acceptance by the most rapid means of communication available. The following delivery of cane of the same variety, class and from the same field from that grower shall be sampled in rakes of four bins.

30 SAMPLING OF CANE

30.1 Continuous sampling

Cane shall be sampled by CSR by the obtaining of a "continuous" representative sample of the juice of the cane contained in each rake supplied by each and every canegrower in each day.

Any delivery containing less than 15 tonnes for the "A" milling train or 18 tonnes for the "B" milling train or 32 tonnes for the combined milling trains, shall be classed as a "missed sample" and the CCS attributed to such a rake shall be determined as provided for by clause (30.2).

In the event of a breakdown of the continuous sampling equipment, the juice shall be sampled by hand and if it is necessary to spot sample, the sampling rate prescribed in Regulation 59 made under the repealed Regulation of *Sugar Cane Prices Act* shall be adopted.

30.2 Missed Samples

If CSR fails to determine a CCS for a rake of cane, the missing CCS shall be deemed to be equal to -

The growers average CCS for -

- (i) the same variety, class and block for the current day; or
- (ii) the same variety, class and block for the next previous or subsequent days delivery which ever is the higher, or
- (iii) the same variety and class for the current day; or
- (iv) the same variety and class for the next previous or subsequent days delivery whichever is the higher, or

The mill average CCS for -

- (i) the same variety and class for the current day; or
- (ii) the same variety and class for the previous day; or
- (iii) the current day.

The priority for determining which CCS value is to be applied shall be in the order shown above and any previous days sample shall be limited to not more than seven days prior to the delivery in question and any subsequent days sample shall be limited to the current payment week.

The allocation of CCS from deliveries made on the previous day may include these made in the previous cane payment period.

30.3 Failure by CSR to take a sample

When CSR has failed to take a sample or a substitute sample of a grower's cane in accordance with this Clause, and the Cane Tester is satisfied that such failure could have been avoided by the exercise of due diligence, the CCS determined in accordance with this Clause shall be increased by 1.0 CCS

30.4 Committee's Representative entitled to be present

A representative appointed by the Committee shall be entitled to be present at the taking of any samples.

30.5 Suspense cane

Cane in suspense may or may not be analysed at the discretion of CSR. When allotted to a grower, suspense cane shall be paid for at its determined value if analysed or, if not analysed, at the average value of the cane supplied by the grower in the week when the suspense cane was crushed.

30.6 Cane to be crushed as soon as practicable after delivery

All cane delivered in accordance with this Award shall be crushed as soon as practicable after delivery to the canegrowers' point of delivery. If CSR fails to crush cane so delivered within 24 hours of such delivery, such cane shall for the purposes of this Award be deemed to be cane with respect to which CSR has failed to determine the CCS and the CCS of such cane shall be calculated in accordance with Clause 30.2 of this Award. Provided that should the actual CCS of the cane be higher than that determined by Clause 30.2 then payment shall be made on actual CCS recorded.

31 ANALYSIS

31.1 Cane Analysis Program

A cane analysis program shall be put in place each year. The intention is that the program for the 2000 season will be substantially the same as that which applied for the 1999 season, except for the introduction of canned fibre machine. This program will be detailed in a manual titled "CANE SUPPLY AND PROCESSING PROCEDURES MANUAL" and the Committee will hold a copy.

Where the Committee incurs costs from the operation of the cane analysis audit service, it may recover all or part of these costs from growers in any equitable manner it sees fit. Such amount as is determined by the Committee as an equitable contribution by each grower to the costs of the cane analysis program shall be due and payable by the grower to the Committee, and the Mill shall, on written request from the Committee, deduct such amount from the Cane pay of the growers concerned and remit to the Committee.

31.2 Growers' daily average CCS.

A grower's daily average CCS shall be the average of his individual results for the day, each weighted according to the number of tonnes which it represents.

31.3 CSR to notify a drop of CCS

CSR shall notify a grower as quickly as possible, and in the event within twenty-four hours, of a drop of two units of CCS which has been confirmed by subsequent analysis. Similar action shall be taken when CCS is below 10.

31.4 CSR to supply particulars

CSR shall supply (on a request being made for him to do so by any grower), the purity of the various classes and/or varieties of cane supplied by such grower.

31.5 Fibre content for CCS determination

Fibre content for CCS determination shall be on a class basis using Can Fibre analysis. Cane shall be treated as "mixed" –

- If the class or variety is not shown on the weighbill; or
- If, in the opinion of the Cane Tester, a rake containing different varieties has less than 75 per cent of the variety present in greatest proportion.

31.6 Rake containing two or more varieties or classes.

Should a rake of cane consigned by any grower contain two or more varieties or classes as a result of which it is not possible to take continuous samples representative of each variety and class in the rake, the whole rake may be sampled continuously. Notwithstanding the provisions of Clause 31.5, fibre in cane for such samples shall be determined by the Cane Tester in consultation with the Production Superintendent.

32 FOREIGN MATTER IN BINS

The inclusion in a loaded bin of anything likely to cause an accident, or damage to machinery, makes the grower concerned liable to a penalty of up to \$40. The penalty shall not exceed \$2 if CSR is notified before the loaded bin reaches the weighbridge.

33 DELIVERY IN SIDINGS

Growers shall be responsible for the coupling of loaded bins on their respective sidings. If a grower fails to comply with this Clause, CSR may cancel or amend the grower's daily allotment of empty bins until further notice.

Growers shall be responsible for the cleaning of their designated delivery points or sidings on a regular basis so as not to affect the safe operation of the work site for those parties using the siding. Where the cause is deemed to be outside the control of the grower or his agent the mill will assist in the cleaning operation. If a grower fails to comply with this Clause CSRs may cancel or amend the grower's daily allotment of empty bins until further notice.

34 HARVESTING DATA

At the end of the season, the mill shall give the Committee information on:

- Tonnes of green cane crushed.
- Tonnes of burnt cane crushed.
- Total hectares of plant cane.
- Total hectares of ratoon cane.

SIGNED by Roy Gellweiler)

in the presence of:)

Roy Gellweiler
.....

Henderson
.....

Witness

LERRAINE Henderson
.....

Name of Witness (print)

SIGNED by Robin Juffs)

in the presence of:)

R Juffs
.....

Henderson
.....

Witness

LERRAINE Henderson
.....

Name of Witness (print)

SIGNED by Russell McNee)

in the presence of:)

R McNee
.....

Henderson
.....

Witness

LERRAINE Henderson
.....

Name of Witness (print)

SIGNED by Dino Poletto)

in the presence of:)

D Poletto
.....

Henderson
.....

Witness

LERRAINE Henderson
.....

Name of Witness (print)

Attachment B

INVICTA MILL

EXPANSION AGREEMENT

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EXPANSION AGREEMENT

THIS EXPANSION AGREEMENT is made the ~~22nd~~ day of June, 2000

BY: **The Invicta Mill Negotiating Team** pursuant to the provisions of Section 36 of the Act ("the Negotiating Team")

RECITALS

- A. The negotiating team has been established in accordance with the Act and comprises four (4) members, two of whom are appointed by CSR and two of whom are appointed by the committee;
- B. Pursuant to section 36(1) of the Act, the Negotiating Team must decide everything about the size of expansion of Cane Production Areas relating to a Mill, and the length of a crushing season for that mill;
- C. Pursuant to section 36(2) of the Act, in deciding matters referred to in section 36(1), the Negotiating Team's objective is to enhance the profit of the Mill owner and the growers supplying cane, while taking full account of local circumstances;
- D. CSR operates the Invicta Sugar Mill at Giru and other Mills in the Burdekin region of Queensland;
- E. The Committee is the entity representing Growers supplying cane to Invicta Mill;
- F. The Negotiating Team has negotiated this Agreement and an associated agreement, (Collective Supply Agreement) with the aim of achieving outcomes beneficial to CSR and the growers supplying cane to the Invicta Sugar Mill including, the following objectives:
 - (i) to provide confidence in and security of cane supply and processing.
 - (ii) to create a stable working environment to enable CSR and growers to plan their future business activities and expansion programs;
 - (iii) to facilitate the extension of a crushing season to 23.5 dry weeks for the 2000 crushing season, and 24.5 dry weeks thereafter upon installation of additional crushing capacity;
 - (iv) to enable CSR to increase mill throughput in order to service the requirements of an extended crushing season, and to incur the necessary expenditure on tramline and other infrastructure associated with an extended crushing season;
 - (v) to provide the terms and conditions under which CSR will extend net crushing capacity to match the requirements of an extended crushing season of 24.5 dry weeks; and
 - (vi) to facilitate and regulate the granting of new and increased cane production areas from out of unallocated hectares based on actual crop yields, actual rotation and actual mill crushing rate and availability.

IT IS AGREED AS FOLLOWS:

1 DEFINITIONS AND INTERPRETATIONS

1.1 General Definitions

In this Agreement:

“Act” means the *Sugar Industry Act 1999 (Qld)*;

“Collective Supply Agreement” means the associated collective Supply Agreement entered into by the parties hereto on the same date as this Agreement.

“CPB” means the Invicta Cane Production Board as created under the Act.

“CPA” means a Cane production Area as defined in the Act

“Dry Weeks” or “Dry Days” in relation to season length or estimated season length means the season length exclusive of any delays caused by wet weather, or other cane supply issues beyond CSR’s reasonable control.

“Invicta Mill” means the Invicta Sugar Mill operated by CSR in the Burdekin region of Queensland.

“Pioneer Mill” means the Pioneer Sugar Mill operated by CSR in the Burdekin region of Queensland.

“Grower” or “Growers” is a cane grower or cane growers supplying cane to the Invicta Mill.

“Existing Grower” is a grower who holds existing CPA.

“New Grower” is a grower who does not hold existing CPA.

“Individual Supply Agreement” means an agreement under Section 47 of the Act.

Other terms used but not defined in this Agreement shall have the same meaning as is ascribed to those terms in:

- (a) the Act; and
- (b) the Collective Supply Agreement,

and if the definitions in those documents are inconsistent, the definitions used in the Act shall prevail.

1.2 Definition of Existing CPA

“Existing CPA” means assignment or CPA that is not “New CPA” as defined in Clause 1.3 below.

1.3 Definition of New CPA

“New CPA” means:

- 1.3.1. CPA granted on or after 1 March 1999; or
- 1.3.2 Existing CPA varied by a CPB application or order on or after 1 March 1999, except where the CPA is determined by the CPB, using the guidelines in Clause 1.4. below, to be Existing CPA. The determination by the CPB as to whether CPA is Existing CPA or New CPA is final and binding.

1.4 Guidelines to be used by CPB in determining New and Existing CPA

The overall intention of this agreement is that New CPA should include any unassigned land in production for the 2000 season or later, as a result of roaming, leasing of assignment, or issue of CPA for the land after 1st March, 1999.

The principles to be used by the CPB in determining whether a variation of Existing CPA should be classified as Existing CPA under Clause 1.3. above, is that the variation must -

- (a) not increase the total area of the mills CPA; and
- (b) not increase the area of the property description for the CPA; and
- (c) not have the effect of increasing the area of cane under cultivation, whether through roaming, leasing of CPA, sale of CPA or any other means; and
- (d) fall into one of the following categories -
 - (i) a transaction dealing with the land and assignment as one entity;
 - (ii) a technical variation such as resurvey;
 - (iii) be agreed as an exception by the CPB

or

be CPA rezoned or transferred from another Burdekin Mill, where the CPA would have been classified as Existing CPA at its original mill;

Examples

Farmer A has 100 ha of land with Existing CPA, but grows cane on only 85 ha of this land. He leases 15 ha of CPA to Farmer B who grows cane on it on other land. The supply of cane from Farmer B to the mill would be classified as New CPA because it has the effect of increasing the area of cane under cultivation.

Farmer A has 100 ha of land with Existing CPA, but grows cane on only 85 ha of this land. He sells 15 ha of CPA to Farmer B who grows cane on it on other land. The supply of cane from Farmer B to the mill would be classified as New CPA because it has the effect of increasing the area of cane under cultivation. If however, the CPB was satisfied that Farmer A was to permanently reduce the area of his cane by 15 ha, the supply of cane

from Farmer B could be classified as existing CPA, as the transaction has not increased the area under cultivation.

Farmer A has 100 ha of land and Existing CPA, and grows cane on the full 100ha. He also has another 20 ha piece of land nearby. He applies to include the second piece of land in the property description for his CPA, so that he can roam onto the second piece of land and either fallow land in his original block, or grow more cane on the second block. The cane from the second block would be New CPA, as it has the effect of increasing the area of the property description for the CPA.

2 CONDITION PRECEDENT

CSR has sought authorisation from Australian Competition and Consumer Commission (ACCC) for this agreement. In the event that changes are required by the ACCC, the parties agree that they will negotiate in good faith to modify this agreement to comply with ACCC requirements, while maintaining the commercial effect and intent of this agreement.

3 TERM OF AGREEMENT

3.1 Commencement

Subject to clauses 2 and 3.2, this Agreement shall commence on the date of execution and shall expire ten (10) years from that date.

3.2 Early Termination

At any time during the term of this Agreement, this agreement may be terminated by the mutual agreement (in writing) of both parties.

4 ACKNOWLEDGEMENT

The Negotiating Team agree that the terms of this Agreement have been settled on the basis of a projected annual crop of cane of 6.11 million tonnes for Invicta Mill and Pioneer Mill combined, and a maximum season length of 24.5 dry weeks. If increased yield or increased rotation causes the total crop of cane available for harvest from land assigned to Invicta Mill and to Pioneer Mill to exceed the figure of 6.11 million tonnes for three (3) consecutive years, the parties agree that they will negotiate in good faith to reach fair and reasonable arrangements on how the excess cane can be crushed. Providing agreement can be reached in that regard, CSR will make reasonable attempts to crush this additional cane.

5 TARGET SEASON LENGTH

The parties agree that the target crushing season length for the Invicta Mill should be 23.5 dry weeks for the 2000 crushing season, and should be extended to 24.5 dry weeks as the conditions in Clause 9.2 are satisfied and additional crushing capacity is installed. The parties agree to use their best endeavours to ensure that the season length does not extend beyond or fall short of this target.

6 PROCEDURE FOR GRANT OF CPA

6.1 Agreed Procedure

The parties agree that the procedures set out in this clause 6 shall govern the manner in which the Negotiating Team will seek to reach a view on approving, and determining the need for the allocation of, new or increased CPA out of unallocated hectares of land during the term of this Agreement.

6.2 Meeting to Consider Increase

The Negotiating Team will meet before 15 February each year and at such other times as it considers necessary, to consider whether there should be an allocation of new or increased CPA relating to the Invicta Mill for that year. In determining this issue, the Negotiating Team shall have regard to the Nominal Annual Capacity of the Mill and the CPA necessary to fully utilise that capacity. In having regard to these matters, the Negotiating Team shall apply the formulas set out in this clause 6.

6.3 Nominal Annual Capacity

The Nominal Annual Capacity of the Invicta Mill will be calculated each year during the term of this Agreement using the following formula:

$$\text{Nominal Annual Capacity} = \text{TNCR} \times \text{TSL} \times 168 \text{ hours/week}$$

Where

“TNCR” means Target Net Crushing Rate which is calculated as the average gross crushing rate for the previous two (2) years at the Invicta Mill (expressed as tonnes of cane per hour), or a crushing rate determined by the Negotiating Team, multiplied by either:

- (a) the average mill availability percentage for the previous two (2) years (as advised by CSR using statistical records kept by CSR for this purpose); or
- (b) a value to be determined by the Negotiating Team.

“TSL” means Target Season Length as defined in Clause 5.

6.4 Cane Production Area

The Negotiating Team will, following calculation of the Nominal Annual Capacity, determine the CPA needed to produce the nominal tonnage of cane to meet the Nominal Annual Capacity of the Mill. This figure will be calculated using the following formula:

$$A1 = T \div (Y \times R)$$

Where:

A1 = CPA in hectares (including an allowance for seed cane) needed to match the nominal annual capacity for crushing at the Invicta Mill.

- T= the Nominal Annual Capacity calculated in accordance with clause 6.3
- Y = the average crop yield for the last five (5) years (expressed as tonnage of cane per hectare) as advised by CSR based on statistical reports kept by CSR for that purpose, excluding the highest and lowest years.
- R= the average rotation of crops attached to the Invicta Mill for the last three (3) years as advised by CSR based on CSR's records.

6.5 Allocation of CPA

Following determination of the matters referred to in clauses 6.3 and 6.4, the allocation of unallocated land for new or increased CPA to be approved each year by the Negotiating Team for all purposes under the Act shall be determined using the following formula:

$$A3 = A1 - A2$$

Where:

- A1 = the amount calculated in accordance with clause 6.4
- A2 = the current total CPA at the date of calculation less an allowance (determined by the Negotiating Team) for seed cane.
- A3 = the area of new allocation for CPA (expressed in hectares).

7 CONDITION FOR GRANT OF NEW CPA

The Negotiating Team agrees that it will instruct the CPB not to approve the allocation of new or increased CPA to a grower unless –

- (a) The grower has confirmed in writing that he is prepared to accept the terms and conditions contained in the Collective Supply Agreement as it applies to New CPA; or
- (b) The grower and CSR have signed an Individual Supply Agreement in relation to that allocation, conditional only on the grant of the CPA.

8 INSTALLATION OF TRAMLIN

CSR undertakes to complete the capital works on tramlines and sidings as follows:

- (a) Allen Road extension – approximately 4.5Km, with two sidings;
- (b) Stockham Road extension – approximately 6.1Km, with four sidings;

by 31st July 2000, subject to weather conditions.

9 INSTALLATION OF ADDITIONAL CRUSHING CAPACITY

9.1 Increase to 1,425 tonnes /hour net

CSR undertakes to increase the Net Crushing Rate at either or both of (at its discretion) Invicta Mill and/or Pioneer Mill so that the Net Crushing Rate of the two mills combined is 1,425 tonnes per hour as follows –

2000 season	1380 tonnes/hour
2001 Season	1395 tonnes/hour
2002 Season	1410 tonnes/hour
2003 Season	1425 tonnes/hour

9.2 Extension of season to 24.5 dry weeks

The parties agree that the Target Season Length will not be increased above 23.5 dry weeks until the Net Crushing Rate of the two mills combined is 1,425 tonnes per hour. Both parties agree to extend the season to 24.5 dry weeks, under the conditions generally contained in this agreement, subject to the following –

- (a) A commitment and plan by CSR to provide a capacity of 1,485 tonnes/hour Net Crushing Capacity; and
- (b) The Committee being satisfied with the CSR commitment, plan and timeframe to fully expand capacity to 1,485 tonnes/hour net throughput; and
- (c) The Negotiating Team for Pioneer Mill executing a Collective Supply Agreement which includes a provision that Pioneer and Invicta cane may be freely transferred between mills at the millowners option so as to achieve as far as practicable equal season lengths; and
- (d) CSR being satisfied that sufficient new CPA will be allocated in accordance with the provisions of the Act to facilitate a 24.5 dry week season length concurrently with expansion of the combined Net Crushing Rate of Pioneer and Invicta Mills; and
- (e) The parties working together to ensure, as far as practical, that any increased CPA will be made productive in time to fully utilise the increased net crushing rate capacity and season length; and

9.3 Allocation between Invicta and Pioneer

The ultimate total crop covered by this agreement is 6.11 m.t. It is the intention of this agreement that increased CPA resulting from increased season length and/or increased rate shall be allocated approximately 4.0 m.t to Invicta growers and approximately 2.0 mt to

Pioneer growers, or otherwise as agreed between Invicta and Pioneer growers, but in any case shall accord with each mills actual proven crushing capacity.

9.4 Increase beyond 1,485 tonnes/hour

In the event that there is an increase in the combined mills capacity beyond 1,485 tonnes/hour, and, as a result of vertical expansion the season length has extended beyond 24.5 dry weeks, then the extra capacity will first be used to reduce the season length to 24.5 dry weeks before additional assignment is allocated.

10 DISPUTE RESOLUTION

If a dispute arises it shall be referred for resolution to an independent arbitrator to be mutually nominated by the parties to the dispute and failing mutual appointment to be appointed by the President or by the person for the time being fulfilling the office of the President of the Queensland Law Society Inc. whose decision on Award shall be conclusive and binding on the parties to the dispute.

Each party shall bear its own costs with the costs of the arbitrator being shared equally by CSR and the Committee.

11 GOVERNING LAW

This Agreement shall be governed by the laws of Queensland.

SIGNED by Roy Gellweiler)

in the presence of:)

Roy Gellweiler

Helena Juff
Witness

Kerrianna Henderson
Name of Witness (print)

SIGNED by Robin Juffs)

in the presence of:)

Robin Juffs

Helena Juff
Witness

Kerrianna Henderson
Name of Witness (print)

SIGNED by Russell McNee)

in the presence of:)

Russell McNee

Helena Juff
Witness

Kerrianna Henderson
Name of Witness (print)

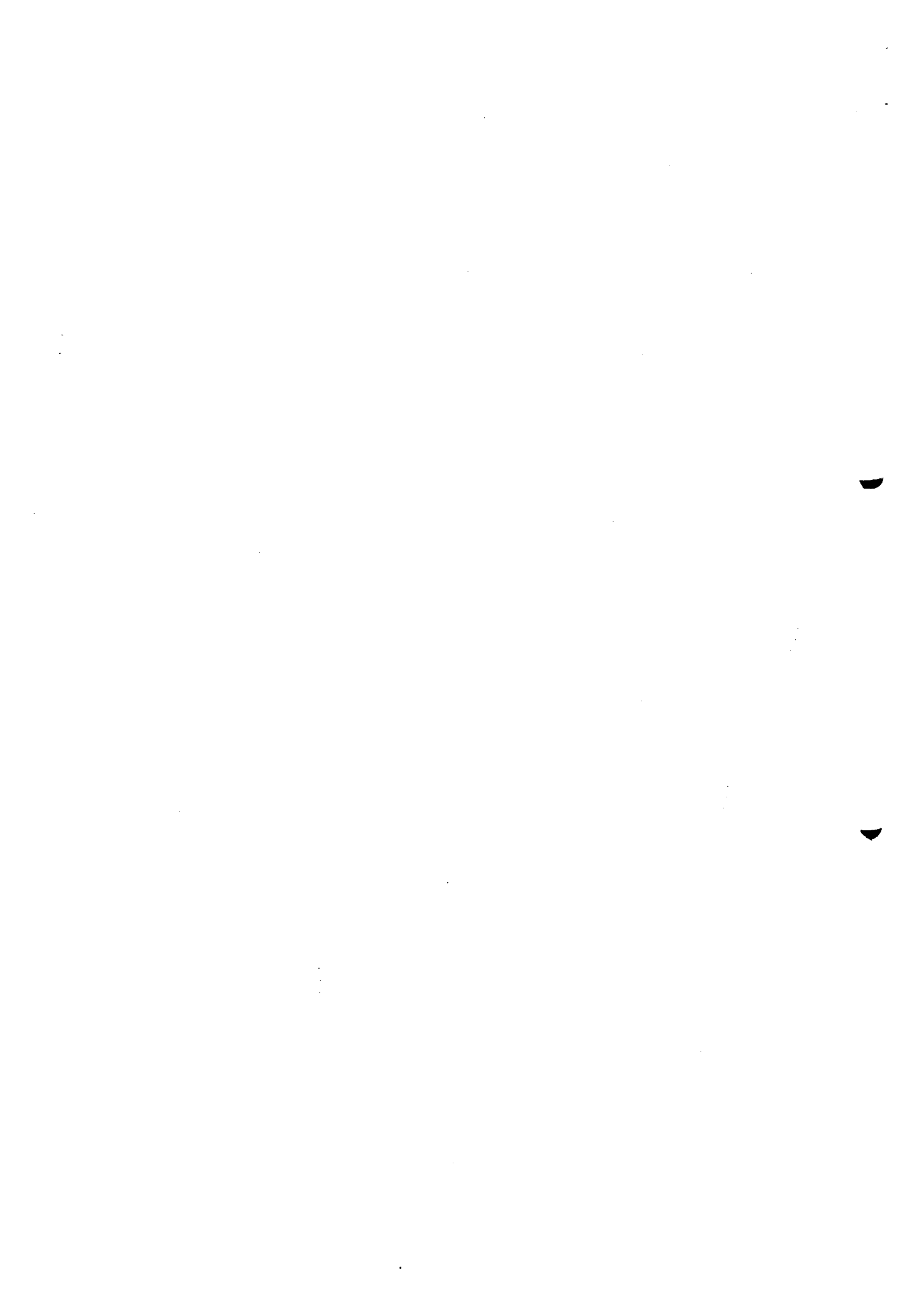
SIGNED by Dino Poletto)

in the presence of:)

Dino Poletto

Helena Juff
Witness

Kerrianna Henderson
Name of Witness (print)



Attachment C

PIONEER MILL

CANE SUPPLY AGREEMENT

(2000 SEASON)

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COLLECTIVE SUPPLY AGREEMENT

THIS CANE SUPPLY AGREEMENT is made the 29th day of May, 2000.

BY: **The Pioneer Mill Negotiating Team** pursuant to the provisions of Section 188(1) and section 40 of the Act ("the Negotiating Team")

PART I – INTRODUCTION

RECITALS

- A The Pioneer Mill Negotiating Team has been established in accordance with the Act and comprises four (4) members, two of whom represent CSR and two of whom represent the Committee;
- B CSR operates the Pioneer Sugar Mill at Brandon and other mills in the Burdekin region of Queensland;
- C The Committee is the entity representing canegrowers ("Growers") supplying sugar cane to Pioneer Mill;
- D Pursuant to section 36(1) of the Act, the Negotiating Team must decide everything about the size of expansion of Cane Production Areas relating to a Mill, and the length of a crushing season for that mill;
- E Pursuant to section 36(2) of the Act, in deciding matters referred to in section 36(1), the Negotiating Team's objective is to enhance the profit of the Mill owner and the growers supplying cane, while taking full account of local circumstances;
- F The Negotiating Team has negotiated with a view to achieving outcomes beneficial to the industry including the following:-
 - i) To provide confidence in and security of cane supply and processing;
 - ii) To create a stable working environment to enable growers and CSR to plan their future business activities and expansion program;
 - iii) To reach agreement as to the extension of the season length of the crushing season to 23.5 dry crushing weeks in the year 2000 and to 24.5 dry crushing weeks as additional crushing capacity is installed. (In this Agreement the term "dry crushing weeks" in relation to season length shall mean the season length without reference to any delays caused by wet weather or cane supply problems outside the grower's or mill's control). It is the expectation that the harvest of sugar cane should conclude by the end of November in a 'normal' year. Any planned extension beyond this time exposes both grower and miller to unacceptable risks because of the increasing probability of rain

further delaying the harvest;

- iv) To retain benefits provided to growers harvesting cane from Existing CPA (as defined), which benefits were originally introduced at the time of the change to continuous crushing and are now contained as part of Cane Payments.
 - v) To provide a level of compensation for such growers harvesting cane from Cane Production Areas granted before 01 March 2000 in respect of any extension of the crushing season length to 24.5 dry crushing weeks;
 - vi) To enable growers to plan their future operations having regard to the targeted maximum crushing season length of 24.5 dry crushing weeks;
 - vii) To facilitate grower expansion in the Burdekin area by the granting of increases in Cane Production Area based on actual crop yields, actual rotation and actual Mill crushing rate and availability;
 - viii) To provide the terms and conditions under which CSR will extend nett mill crushing capacity in conjunction with an extension of the season length to 24.5 dry crushing weeks, and to make provision for an increase in the total Cane Production area for Pioneer to fully utilise the increased mill capacity and extended season length.
- G The Negotiating Team has reached agreement as to the terms of a Collective Supply Agreement to commence from the sugar crushing season in the year 2000, the terms of which Agreement are considered by the Negotiating Team to be beneficial for both the growers and the mill owner. Details of this agreement are contained in Parts II, III and IV of this agreement.
- H Part II of this agreement deals with the longer term strategic issues facing the industry and provides for extended planning and expansion issues.
- I Part III of this agreement deals with the medium term issues facing the industry.
- J Part IV of this agreement deals with the management of supply in each particular season.

IT IS AGREED AS FOLLOWS:

1 DEFINITIONS AND INTERPRETATION

In this agreement, the following definitions shall apply. Other terms used but not defined in this Agreement shall have the same meaning as is ascribed to those terms in the Act.

1.1. General Definitions

“Act” means the *Sugar Industry Act 1999* (Qld);

“Dry Weeks” or “Dry Days” in relation to season length or estimated season length means the season length exclusive of any delays caused by wet weather, or other cane supply issues beyond CSR’s reasonable control.

“Pioneer Mill” means the Pioneer Sugar Mill operated by CSR in the Burdekin region of Queensland.

“Invicta Mill” means the Invicta Sugar Mill operated by CSR in the Burdekin region of Queensland

“CPA” means a Cane Production Area as defined in the Act.

“CPB” means the Cane Production Board as created under the Act.

“Grower” or “Growers” means a cane grower or cane growers supplying cane to the Pioneer Mill.

“Assignment” means assignment granted under the repealed Sugar Industry Act 1991

1.2. Definition of Existing CPA

1.2.1. “Existing CPA” means assignment or CPA that is not “New CPA” as defined in Clause 1.3 below.

1.3. Definition of New CPA

“New CPA” means:

1.3.1. CPA granted on or after 1 March 2000; or

1.3.2. Existing CPA varied by a CPB application or order on or after 1 March 2000, except where the CPA is determined by the CPB, using the guidelines in Clause 1.4. below, to be Existing CPA. The determination by the CPB as to whether CPA is Existing CPA or New CPA is final and binding.

1.4. Guidelines to be used by CPB in determining New and Existing CPA

The overall intention of this agreement is that New CPA should include any unassigned land in production for the 2000 season or later, as a result of roaming, leasing of assignment, or issue of CPA for the land after 1st March, 2000.

The principles to be used by the CPB in determining whether a variation of Existing CPA should be classified as Existing CPA under Clause 1.3. above, is that the variation must -

- (a) not increase the total area of the mills CPA; and
- (b) not increase the area of the property description for the CPA; and
- (c) not have the effect of increasing the area of cane under cultivation, whether through roaming, leasing of CPA, sale of CPA or any other means; and
- (d) fall into one of the following categories -
 - (i) a transaction dealing with the land and assignment as one entity;
 - (ii) a technical variation such as resurvey;
 - (iii) be agreed as an exception by the CPB

or

be CPA rezoned or transferred from another Burdekin Mill, where the CPA would have been classified as Existing CPA at its original mill;

Examples

Farmer A has 100 ha of land with Existing CPA, but grows cane on only 85 ha of this land. He leases 15 ha of CPA to Farmer B who grows cane on it on other land. The supply of cane from Farmer B to the mill would be classified as New CPA because it has the effect of increasing the area of cane under cultivation.

Farmer A has 100 ha of land with Existing CPA, but grows cane on only 85 ha of this land. He sells 15 ha of CPA to Farmer B who grows cane on it on other land. The supply of cane from Farmer B to the mill would be classified as New CPA because it has the effect of increasing the area of cane under cultivation. If however, the CPB was satisfied that Farmer A was to permanently reduce the area of his cane by 15 ha, the supply of cane from Farmer B could be classified as existing CPA, as the transaction has not increased the area under cultivation.

Farmer A has 100 ha of land and Existing CPA, and grows cane on the full 100ha. He also has another 20 ha piece of land nearby. He applies to include the second piece of land in the property description for his CPA, so that he can roam onto the second piece of land and either fallow land in his original block, or grow more cane on the second block. The cane from the second block would be New CPA, as it has the effect of increasing the area of the property description for the CPA.

2 CONDITION PRECEDENT

CSR has sought authorisation from Australian Competition and Consumer Commission (ACCC) for an agreement with Invicta Growers, which is similar in form to this agreement. CSR will also seek authorization from the ACCC for this agreement. In the event that changes are required by the ACCC, the parties agree that will negotiate in good faith to modify this agreement to comply with ACCC requirements, while maintaining the commercial effect and intent of this agreement.

3 COMMENCEMENT AND TERM

3.1. Commencement of Agreement

This Agreement shall commence on the date first written herein.

3.2. Termination of Agreement

Parts I, II and III of this agreement shall, subject to the conditions hereinafter set out, remain in force for a period of five (5) years from the commencement date.

Part IV of this agreement shall, subject to the conditions hereinafter set out, remain in force for a period of 1 year from the commencement date.

3.3. Annual Review

In November/December in each year during the term of this Agreement, the Negotiating Team shall undertake a review of the terms and effect of this Agreement.

If the Negotiating Team unanimously agrees that it is desirable that this Agreement be varied, the Negotiating Team shall vary this agreement accordingly.

3.4. Rollover of Agreement

For the purpose of providing confidence and security for CSR and the Growers, and to enable CSR and Growers to properly plan future farming and milling operations, the Negotiating Team may agree at the time of the annual review to extend the term of Parts I, II or III of the agreement by one year, and if so, such extension shall take effect once it is agreed to in writing by both parties. The intention is

1. to have four years notice of termination of Parts I, II and III in the event of disagreement; or
2. to have the ability to roll over the agreement with any agreed modifications, so that there may be an adequate planning horizon for both parties. In the event that either party does not sign the new agreement for a further five years, then there is at least four years notice of termination of the agreement.

It is not the intention of either party that in this annual review process, any of the matters be