

ASMC QUEENSLAND ELECTION STATEMENT

Two key themes encapsulate the Australian Sugar Milling Council's Queensland election platform.

1. 'Sugar – Securing Queensland's renewables future' (*the opportunity statement*).
2. 'Target 34 by 2034' (*the enablers*).

SUGAR - SECURING QUEENSLAND'S RENEWABLES FUTURE

The sugar industry supports 20,000 jobs and contributes \$4 billion to the economy. Sugar manufacturers are best placed to capture the economic opportunities in renewable energy and biofuels, noting that biofuels can be a multi-billion-dollar industry, creating thousands of jobs in the state.

The jobs that can be created in sugar will be in the same regional Queensland communities that will slowly lose jobs within the resources sector – we are the solution to an energy transition that will be a just one for regional and rural communities.

For the residents in and around Townsville, Bundaberg, the Whitsundays, Mackay, Cairns or anywhere near the Queensland coast, an investment in sugar manufacturing is an investment in those communities.

The sugar milling sector has the opportunity to provide over 1GW of renewable electricity capacity, enough to power up to 900,000 homes or enough Sustainable Aviation Fuel to provide 8% of domestic aviation fuel needs - with the right government incentives, the sector can increase this to 10% of domestic aviation fuel needs.

The development of a biofuels industry must be established through existing sugar supply chains. If the goal is to create jobs and new economic opportunities in Queensland, these industries cannot be established by displacing existing supply chains as the net benefit to the state will be zero and the cost will be billions of dollars in stranded assets. The sugar milling sector can produce biofuels cost-effectively, with proven technologies, using the byproducts from the production of sugar. This is not pie-in-the-sky thinking, the industry currently provides renewable biofuels to the domestic market, and produces enough renewable electricity capacity through cogeneration to power 500,000 homes.

What can the Queensland Government do?

The Centre of Excellence for Advanced Sugar Manufacturing and AI

Sugar manufacturing is transforming into a high-tech 21st century sector that needs to optimise the use of limited feedstock to not only create sugar, but products as diverse as fertilisers, molasses, bioplastics, biofuels and electricity. Our sector needs an R&D agenda to match this ambition.

We are seeking \$2.5 million over four years from the Queensland Government to establish the \$12 million Centre of Excellence for Advanced Sugar Manufacturing and AI. The Centre would focus on cutting edge R&D and commercialisation opportunities to optimise manufacturing, transport and logistics planning processes using AI, explore adoption of advanced technologies to optimise the manufacturing process for sugar, other byproducts and the production of renewable energy, and identify the jobs of the future within the sector.

Sugar Career Start - Creating the jobs of the future

Our sector already faces critical shortages in the workforce including trades, engineers, locomotive drivers, general mill workers and process operators. As the industry adopts new technologies and processes, and looks to diversify into new opportunities, such as bioproducts, we also need to map out our future skills needs, and ensure we have the pipeline of talent to fill the jobs of the future.

The ASMC is seeking \$1.7 million over three years to establish the Sugar Career Start project. The program will map out workforce and skills shortages within the sector, identify future skills needs, and identify factors behind the shortages. A set of campaigns and programs will be developed from this work to improve vocational training, provide a platform to link job opportunities to young workers, and promote the opportunities and career pathways in the sector to young workers, including school leavers, through jobs fairs, and other relevant employment forums

TARGET 34 MILLION TONNES OF CANE BY 2034

Increase cane supply from the current average of 30 million tonnes p.a. to 34 million tonnes by 2034.

The supply of cane, and the associated transport and logistics infrastructure to get that cane through the sugar manufacturing process is the main determinant of success for the sugar industry and thousands of Queensland jobs and billions of dollars of economic activity it supports.

We have an ambitious target to grow the cane supply to a consistent and reliable 34 million tonnes per annum (from the current average of 30 million tonnes), being manufactured into just under 5 million tonnes of sugar, that would not only secure the viability of the sugar industry, but ensure that sugar remains a powerhouse of the Queensland economy, and the economic pillar of many regional communities.

What can the Queensland Government do?

Target 34 Taskforce: Industry-Queensland & Federal Government taskforce on growing the cane supply

The ASMC seeks the establishment of a government-industry taskforce to create a roadmap to increase the supply of cane to 34 million tonnes. The Taskforce would progress the development of the roadmap with a focus on:

- Better land use planning to maintain and grow land under cane – Earlier work undertaken by ASMC identified up to 60,000 hectares of land that may be suitable for cane.
- Increased targeted investment in R&D to shorten timeframes for sugarcane yield improvements through variety development programs, and innovations in maximising sugar extraction in processing;
- ensuring environmental regulations co-optimize environmental outcomes as well as production outcomes; and
- Developing a Queensland cane rail freight strategy to optimise the delivery of cane.

The Cane Rail Fund - Expansion and optimisation of Queensland's cane railways

The Australian sugar industry is reliant on a transport and logistics network that is responsible for moving cane from farms through to the sugar manufacturing process before shipping the sugar and associated products around the globe. The most challenging aspect of this task is landside movements within Australia.

This is a particular pinch point for the sugar industry, where cane must be transported to a mill for processing within 10-20 hours of being harvested. This time constraint also places a barrier to the expansion of land under cane and confines the location of Australia's cane supply to close proximity to a sugar mill.

Our cane railways, with a replacement value of over \$2 billion, provide the crucial link between growers and the mills. Without the rail networks the sugar industry would not survive. The current problems in getting Mossman cane in Far North Queensland to other mills has been exacerbated by the absence of suitable cane rail infrastructure, and the significant congestion road freight would create. The value of the industry's cane rail is underestimated.

The ASMC seeks \$29 million from the Queensland Government (and \$29 million from the Federal Government) to go towards the upgrade of cane rail infrastructure that will deliver greater network efficiency while significantly improving safety by removing level crossings and bypassing highly trafficked towns, removing a further 25,000 truck movements off the roads annually, reduce road wear and maintenance, provide more road capacity, and reduce transport emissions.

Projects identified include a cane rail bypass of the township of Ingham, a Bruce Highway underpass north of Mackay, extension of the Tully cane railway network, extension of the Plane Creek Mill southern cane railway, and connecting the Bundaberg-Isis railway networks. As a first step, we seek \$1.2m pre-feasibility work to investigate and progress with projects with highest cost-benefit ratio and lowest risks.