AUSTRALIAN SUGAR MANUFACTURERS

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AUSTRALIAN SUGAR MANUFACTURERS OPENING ADDRESS – QUEENSLAND PARLIAMENTARY INQUIRY INTO SUGAR AND BIOENERGY OPPORTUNITIES

Delivered by Ash Salardini, CEO, Australian Sugar Manufacturers
9:00 am, Queensland Parliament House

I'm here representing the Australian Sugar Manufacturers, which is part of an industry that supports over 20,000 regional jobs.

Today this committee has a real opportunity – an opportunity to set a course for the Government that will ensure the long-term success of the sugar industry as the bedrock of regional Queensland economies.

Biofuels and bioenergy are the answer.

Sugar can produce 30% of Australia's aviation fuel needs. Cogeneration from bagasse could power half a million Queensland homes. We can provide affordable biogas to regional manufacturers and replace coal to make steel production green with renewable pellets made from sugar byproducts.

With nearly 4,000 km of cane rail, we can aggregate feedstocks across agriculture and forestry to establish scalable bioenergy precincts across regional Queensland. In doing so, we can create new revenue streams for growers through their tops and trash.

Imagine places like Bundaberg, Childers, Mackay, Ingham and Tully being hubs for energy production and bio-manufacturing.

This is about revitalising regional economies, and a byproduct just might be that we have an affordable and reliable net-zero and energy transition agenda.

We have significant challenges. Viability in our sector is under threat. Seven out of thirteen mills we analysed now operate above global sugar prices — prices which are distorted by subsidies to producers in India and Brazil.
Just as China has gone all in on cornering the market for steel production, Brazil and India are trying to corner the markets for sugar and biofuels.

Australian governments have intervened in other industries to protect against these challenges, yet a strategic government approach to sugar is lacking.

Mill closures are not inevitable. However, unlike past closures, the next will leave growers with no viable option to process their cane. This will be a regional crisis for those communities affected.

Diversification into biofuels and bioenergy is the solution to these challenges — but this will only happen if government and industry work hand in glove.

The markets for biofuels don't really exist and are contingent on government policy. The capital costs are significant and risks high – that is why government collaboration is absolutely necessary.

We are calling for a sugar industry strategy from the Queensland Government. This strategy should explore:

- Funding to drive bio proposal to final investment decision and to the front of the queue for federal funding.
- Co-investment in sugar manufacturing R&D and cane rail infrastructure.
- The exploration of offtake agreements for cogeneration to recognise its renewable baseload benefits.
- And finally, this agenda requires the supply of cane, and the ASM is supportive of measures put forward by grower representatives to increase that supply.

The replacement value of the sugar manufacturing sector is $20 billion, so let's use it before we lose it.

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Australian Sugar Manufacturers (ASM) *is the peak industry body representing the nation's sugar manufacturing sector, contributing $4.4 billion annually to the Australian economy and supporting more than 20,000 jobs in regional communities. ASM works closely with its members, industry stakeholders, and government to develop and advocate for policies that enhance the sustainability, competitiveness, and long-term economic contribution of the sugar manufacturing sector. From the production of raw sugar, bio-based manufacturing and generation of renewable energy, the sugar manufacturing sector continues to support communities, create jobs, and foster a sustainable future for the industry, and the broader economy.*