



29 January 2026

## AUSTRALIAN SUGAR MANUFACTURERS MEDIA RELEASE

### **AUSTRALIAN SUGAR MANUFACTURERS CALL FOR GOVERNMENT ACTION TO SECURE AUSTRALIA'S INDUSTRIAL CAPABILITIES**

Australian Sugar Manufacturers (ASM) today submitted its 2026 – 2027 Pre-Budget Submission to the Federal Government, calling for urgent and coordinated government action to secure a sovereign Australian manufacturing capability that underpins food production, renewable energy and low-carbon liquid fuels.

ASM's submission outlines a nationally significant opportunity to leverage Australia's sugar manufacturing sector to deliver food, biofuels, biogas, renewable electricity and advanced biomanufacturing products. This agenda can transform regional economies and create thousands of jobs across Queensland.

The sugar manufacturing sector has the capacity through biodiversification to deliver up to 800MW of baseload renewable electricity (equivalent to the Callide B Power Station – one of the largest generators in Queensland), produce enough biofuels to meet around one-third of Australia's domestic aviation fuel demand, and unlock further opportunities in biogas and biomanufacturing.

Australian Sugar Manufacturers Chief Executive Officer, Mr Ash Salardini, said the opportunity is real, viable and immediate – but not guaranteed.

“With the sugar industry, Australia already has a regionally located manufacturing capability that can deliver food, fuel and energy security, while providing good paying job opportunities to communities up and down the Queensland coast. What we are missing is a bold and proactive government agenda to secure it”, said Mr Salardini.

The Australian sugar manufacturing sector supports more than 20,000 regional jobs, contributes \$4.4 billion annually to the Australian economy, and represents an integrated manufacturing, transport and logistics system with a replacement value exceeding \$20billion.

Despite its strategic importance, the sugar industry remains under acute pressure. Global sugar prices have again fallen sharply and are now below 15 cents per pound, well below the cost of production for many Australian sugar manufacturers.

“Sugar prices were above 25 cents per pound just over two years ago. This is not a normal market cycle. It is not sustainable and many manufacturers and growers are now operating at below the cost of production”, said Mr Salardini.

ASM warns that global sugar markets are being heavily distorted by direct government intervention from major competitors.

“Countries like India and Brazil have invested billions of dollars in their sugar industries to weather low prices because they are playing the long game. They see sugar as a sovereign capability which underpins food and fuel security. Australia currently does not”, said Mr Salardini.

At the same time, Australia's sugar industry faces rising domestic costs, limited market access in key export



destinations, and a lack of long-term policy certainty to support diversification into biofuels, bioenergy and biomanufacturing.

The ASM's submission makes it clear that government partnership and investment is urgently needed to secure Australia's industrial capabilities in the sugar manufacturing sector.

"We have a viable pathway to capture a once in a generation opportunity in biofuels, biogas, renewable electricity and biomanufacturing. We need the Federal Government to act now and support the Australian sugar manufacturing sector and invest in the livelihoods of regional Queenslanders", said Mr Salardini.

Australian Sugar Manufacturers has put forward a comprehensive package of policy and investment measures focused on accelerating project readiness, creating demand for Australian produced biofuels, supporting regional infrastructure, and strengthening industry research and development.

The proposed package would cost approximately \$182 million over the forward estimates, which would assist in unlocking billions in private investment, protect existing manufacturing capabilities and jobs, and secure Australia's low carbon liquid fuel and net-zero agenda.

"If we want strong regional manufacturing, secure good paying jobs, and a domestic capability in food, fuel and energy, the Government must work with the sugar industry to secure these outcomes. This opportunity cannot wait any longer. We need to work together now to secure Australia's manufacturing future, or risk losing it forever", said Mr Salardini.

To view Australian Sugar Manufacturers 2026 – 2027 Pre-Budget Submission, please click here: [AUSTRALIAN-SUGAR-MANUFACTURERS-2026—2027-AUSTRALIAN-GOVERNMENT-PRE-BUDGET-SUBMISSION.pdf](#)

## ENDS

### ASM Media Contact

Josip Vidakovic

[j.vidakovic@sugarmanufacturers.org.au](mailto:j.vidakovic@sugarmanufacturers.org.au)

0423 359 827

*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.*