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AUSTRALIAN SUGAR MANUFACTURERS MEDIA RELEASE

TIME FOR GOVERNMENT TO GET BEHIND AN ICONIC QUEENSLAND INDUSTRY

Today, leaders from the Australian sugar manufacturing sector are converging on Queensland Parliament to present at the Parliamentary Inquiry into Sugarcane Bioenergy Opportunities in Queensland. Senior industry leaders will highlight the significant opportunities for the Queensland economy through sugar industry diversification into biofuels and bioenergy, however, this agenda can only be successful with effective government-industry collaboration. This agenda is even more urgent, as the sugar industry is facing a significant downturn in global sugar prices.

To kickstart the diversification agenda into biofuels and bioenergy, Australian Sugar Manufacturers has developed a \$40 million government-industry proposal, focusing on effective market incentives that can underpin a successful Queensland biofuels and bioenergy capability, developing shovel ready biofuel projects that can attract earmarked federal funding, and further transforming industry R&D to ensure that we are at the cutting edge of innovation that will provide us with an enduring competitive advantage in the production of sugar, biofuels and bioenergy.

The biofuels and bioenergy opportunities come at a time when the sugar industry is facing immediate and crucial financial challenges, making the need for government investment and collaboration even more urgent. Global sugar prices have plunged below 15 cents (USD) per pound – well under the cost of production for the majority of Queensland growers and manufacturers. To put current prices into perspective, prices were well above 25 cents per pound in 2024.

The severity and length of this cyclical downturn is being exacerbated by significant government interventions overseas, noting that global markets for sugar are neither free nor fair.

“The Australian sugar industry is a highly productive and efficient industry, but unfortunately we are fighting on the global stage with one arm tied behind our backs,” said Mr Ash Salardini, Chief Executive Officer of Australian Sugar Manufacturers.

“Two of the largest sugar producers in the world, Brazil and India, heavily subsidise their industries to squeeze out competitors like Australia from the market. They are playing the long game, viewing their industries as valuable sovereign capabilities in food and fuel production – Australia needs to catch up urgently.”

Despite these pressures, Queensland’s sugar industry remains one of the state’s most important regional economic pillars, supporting more than 20,000 jobs and billions in economic activity.

Head of Wilmar Sugar and Renewables and Chair of ASM – Mr. Shayne Rutherford, and Chief Executive Officer of Mackay Sugar Limited – Mr. Carl Morton have also reinforced their views on the importance of government collaboration and investment for the future of the sugar manufacturing sector in Queensland, noting the sector’s critical contribution to regional economies through employment.



“Queensland’s sugar manufacturing industry has been built over generations and remains a critical regional economic asset, underpinning jobs, infrastructure, and economic activity across regional Queensland. With the right policy settings, the industry can capitalise and build on existing factory asset bases, skilled regional workforces, and reliable cane supply to diversify into renewable fuels, renewable energy, and other low-emissions products, strengthening the industry’s long-term viability,” said Mr. Shayne Rutherford, Head of Wilmar Sugar and Renewables and Chair of ASM.

The sugar industry is uniquely positioned to underpin the next wave of regional growth, including:

- **Biofuels** – as an example, sugar manufacturing can potentially provide 30% of Australia’s aviation fuel demand.
- **Bioenergy** – bagasse-based renewable cogeneration capable of powering hundreds of thousands of Queensland homes.
- **Biogas** – ensuring regional manufacturers have access to reliable and affordable gas.
- **Bioproducts** – including renewable bagasse pellets that can be used for energy production and capable of decarbonising steelmaking and smelting facilities.

“Mackay Sugar has invested heavily in its core business in recent years, implementing best in class technology to ensure that we are as productive as we can be. This has increased the available biomass for additional cogeneration (green steam and renewable electricity production) – we already provide one third of Mackay’s electricity needs. To maintain and expand this generation capacity, we need government and market incentives that recognise the renewable, reliable baseload nature of our generation”, said Mr. Carl Morton, Chief Executive Officer of Mackay Sugar Limited.

“We can also provide our biomass as feedstock for new biomanufacturing opportunities, including the production of alternative proteins and high value nutraceuticals, with world leading QUT biomanufacturing facilities co-located at our Racecourse factory”, said Mr. Morton.

Mr. Rutherford added, “For Wilmar, diversification means leveraging existing infrastructure and cane supply to pursue practical, near-term opportunities including black pellets produced from bagasse as a coal substitute, and expanding ethanol production for motor vehicle use and as a pathway toward sustainable aviation fuel. These are proven technologies that build on what our factories already do today, helping to renew assets, reduce exposure to volatile global sugar prices, and strengthen the long-term economic viability of the sugar industry.”

“Industry is ready to invest, but government action is needed to create the right market conditions. Targeted, enabling policies can de-risk projects, provide demand certainty underpinning revenue streams that recognise the true economic value of reliable renewable energy and low carbon fuel production in regional Queensland,” added Mr. Rutherford.

“The replacement value of Queensland’s sugar manufacturing assets is more than \$20 billion – a capacity painstakingly built over the last 150 years. We now need to move from talk to action to preserve and fully utilise this important Queensland economic asset,” said Mr. Morton.



Australian Sugar Manufacturers wishes to thank the Queensland Parliament Primary Industries and Resources Committee, led by Committee Chair Stepehen Bennett MP, for establishing this important and timely inquiry which will ultimately transform Queensland's sugar manufacturing sector.

To view Australian Sugar Manufacturers submission to the inquiry please visit:

https://sugarmanufacturers.org/wp-content/uploads/2025/10/251008_ASM-submission-to-PIRC-Inquiry-into-sugar-and-bioenergy- -FINAL.pdf

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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.