MEDIA RELEASE

Industry unites to denounce terminal decision

Key sugar industry bodies have united to condemn Sugar Terminals Limited's (STL) recent decision to terminate its long-standing Operating Agreement with Queensland Sugar Limited (QSL) and to call on the organisation to withdraw the Notice of Termination immediately.

After meeting in Townsville last week, Australian Cane Farmers Association (ACFA), CANEGROWERS, AgForce, Burdekin Cane and Agricultural Organisation, Kalamia Cane Growers Organisation (KCGO), Far Northern Milling and Bundaberg Sugar wrote to the STL Board to strongly denounce their decision and called the Board out for failing to consult with industry participants in the lead up to the termination.

Chair of CANEGROWERS Owen Menkens pointed out that STL had no experience in operating the terminals and the removal of QSL is a real risk to the Queensland sugar industry.

"QSL's operation of Queensland's bulk sugar terminals has always been cost-effective, reliable and safe which has allowed our industry to maintain a competitive advantage on the global market. STL have not yet shown industry how they can deliver on their claims of reducing operating costs and improving efficiency."

ACFA Chair Don Murday said that STL are not acting in the best interests of the sugar industry and is frustrated in the way STL has conducted themselves.

"It is deplorable that STL would make such a significant decision, one which will have vast and long-term impacts on our industry, without taking the time to talk with growers first. It's appalling behaviour."

President of AgForce Cane Board, Russell Hall also expressed his disappointment that STL did not consult with grower groups prior to its announcement.

"Growers are STL's majority shareholders, ultimately paying two thirds of STL's costs, so why didn't they reach out to us? It's a slap in the face for growers and demonstrates real arrogance on STL's behalf."

Charles Quagliata, Chair of BCAO, expressed concerns over STL's motivations for the decision.

"STL's announcement means that the billion-dollar Queensland sugar industry will be at the mercy of a monopoly owner/operator, one that is focused on maximising shareholder returns rather than serving the industry."

KCGO Chair Robert Malaponte said that QSL should continue to operate the terminals as they have done so for decades.

"QSL is industry owned and is the long-term and proven operator of the bulk sugar terminals. They have always provided a world-class service as terminal operator, experience that is unmatched."

Far Northern Milling Chair Maryann Salvetti and CEO of Bundaberg Sugar Guy Basile were also firm in their view of who is best placed to operate the terminals.

"We stand strongly by our commitment to QSL and urge STL to put the best interests of the entire industry at the forefront and reinstate the Operating Agreement with QSL at once," Ms Salvetti said.

"STL need to act as a matter of urgency before any damage is done to the sugar industry and its reputation," Mr Basile concluded.

Under the terms of the existing Operating Agreement, QSL will continue to be the operator of the state's bulk sugar terminals (BSTs) until 30 June 2026.

Media contact:
Owen Menkens | CANEGROWERS Chairman | 0409 480 179
Don Murday | ACFA Chairman | 0418 774 499
Panikos Spirou | Cane Services Manager AgForce | 0427 577 116
Christian Lago | Director BCAO | 0414 421 723
Allan Parker | Manager KCGO | 0438 827 550
Bronwyn Dwyer | CEO Far Northern Milling | 0428 891 462
Guy Basile | CEO Bundaberg Sugar | 0418 887 399

ENDS.