



Media Statement

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SUGAR MANUFACTURES SWEET DIVIDENDS FOR THE MACKAY AND ISAAC

Independent economic analysis commissioned by the Australian Sugar Milling Council has revealed a total direct and indirect economic contribution of **\$1,387 million** from the sugar manufacturing sector in the Mackay and Isaac local government areas in 2017-18, underpinning a total of **7,634 regional jobs**.

Using sugar mill spending data grouped by postcode, respected analyst Lawrence Consulting was able to calculate and quantify the sugar manufacturing sector's contribution last financial year by Local Government Areas.

"Direct sugar manufacturing spend of **\$664 million** at the Farleigh, Marian and Plane Creek mills, and the Racecourse mill and refinery generated significant community benefits in the Isaac and Mackay Regional Council areas" ASMC's Director of Economics and Trade, David Rynne said today.

"Sugar mills in the region pay wages to **913 employees**, purchase cane from local sugarcane growers, and also contract many local businesses to provide the goods and services required to run and maintain raw sugar manufacturing," Mr Rynne added.

"Modelling the flow-on effects of the mills' direct expenditure allowed the total (combined direct and indirect) economic impact to be estimated."

Manufacturing contribution

The Lawrence Consulting analysis showed that sugar manufacturing supports 17% of the Mackay economy in terms of Gross Regional Product and serves as an invaluable shock absorber to the cyclical impacts of the resources sector.

The area's four mills had combined production in 2017 of 820,000 tonnes of raw sugar, noting that co-located at Racecourse Mill is the largest (white) sugar refinery in Australia with 450,000 tonnes of capacity.

The Racecourse Mill has 35 megawatts of installed renewable energy capacity and exported 90,000MWh of power into the grid in 2017, providing enough electricity for 12,860 dwellings or around one quarter of homes in the Mackay and Isaac LGAs.

Sugar manufacturing suppliers

A local example of a supplier benefiting from a strong sugar manufacturing sector is Zarb Road Transport.

"My father Casey started Zarb Road Transport in 1966 and it continues proudly today as a family-owned and operated business servicing the sugar industry in the Mackay, Burdekin and Herbert districts," says General Manager David Zarb.

"We cart all things sugar from cane to manufactured products with a fleet of more than 60 prime movers and upwards of 110 employees operating from fully-equipped facilities in Mackay and Ayr. "Being family owned and operated we know that relationships are key and we strive to achieve

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consistency in everything we do by continually strengthening our ties with our customers, suppliers and employees.

"Today, nothing is off limits and that's a credit to our 52-year relationship with sugar manufacturing in North Queensland."

At a Glance: ISAAC AND MACKAY LGAs (2017-18)

Direct expenditure of \$664 million comprising:

- \$287m in purchases from 1,093 local businesses (non-cane)
- \$287m in purchases from 983 cane enterprises with 1,136 cane-related workers
- \$90m in wages to 913 staff at the Farleigh, Marian and Racecourse mills (all Mackay Sugar) and Plane Creek mill (Wilmar) and Racecourse refinery (Mackay Sugar and Wilmar)

Indirect/flow-on gross regional product (GRP) of \$723m

- supporting an estimated additional 5,585 jobs

Direct and indirect **\$1,387 million** in total economic benefits (GRP) and approximately **7,634** jobs supported.

At a Glance: QUEENSLAND (2017-18)

Direct expenditure of **\$2.24 billion** comprising:

- \$686m in purchases from 5,551 businesses (non-cane)
- \$1.21b in purchases from 4,305 cane enterprises with 4,554 cane-related workers
- \$353m in wages to 4,591 milling staff

Indirect/flow-on gross regional product (GRP) of \$1.81b

- supporting an estimated additional 13,512 jobs

Direct and indirect **\$4.05 billion** in total economic benefits (GRP) and approximately **22,657** jobs supported.

ENDS

Editor Note: Statewide and Local Government Area media releases, data highlights (infographics by electorate and local government area) and more information on the Lawrence Consulting study is available now at: <https://asmc.com.au/>

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