



Media Statement

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SUGAR MANUFACTURES SWEET DIVIDENDS FOR TOWNSVILLE, BURDEKIN AND HINCHINBROOK

Independent economic analysis commissioned by the Australian Sugar Milling Council has revealed a total direct and indirect economic contribution of **\$852 million** from the sugar manufacturing sector in the **Townsville, Hinchinbrook and Burdekin** local government areas (LGAs) in 2017-18, underpinning a total of **4,615** 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 LGA.

"Direct sugar manufacturing spend of **\$633 million** at the Macknade, Victoria, Kalamia, Invicta, Pioneer and Inkerman mills generated significant community benefits in the region," ASMC's Director of Economics and Trade, David Rynne said today.

"Sugar mills in the region pay wages to **1,352 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 six mills in the region had a combined production of 1.8 million tonnes of raw sugar in 2017.

The Lawrence Consulting analysis showed that sugar manufacturing contributes about 54% to the Hinchinbrook economy and 52% to the Burdekin economy in terms of Gross Regional Product.

"Wilmar has invested hundreds of millions of dollars in their six mills since assuming ownership in 2010 to make them operationally and globally competitive," Mr Rynne said.

"Currently, they also have 171 megawatts of installed renewable energy capacity from firing biomass (bagasse/cane residue), exporting more than 300,000 MWh into the Queensland electricity grid in 2017. That's enough to power around 43,430 private dwellings or around half of all the homes in the three LGAs."

Sugar manufacturing suppliers

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

"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.

The General Manager of the Townsville-based **Wulguru Group**, Wayne Landrigan said the locally owned steel fabrication company had enjoyed a productive association with sugar manufacturing since 1976.

"Whilst we have undertaken numerous projects over the years, the design, fabrication and installation of a 70 metre stack at Macknade Mill is one example of the expertise that we have developed for the sugar manufacturing sector, which in turn has helped make Wulguru Group one of the largest steel fabrication companies in Northern Australia," he said.

"With over 200 staff in Townsville and Brisbane to service the sector, we are delighted to see the contribution of sugar manufacturing being recognised in Queensland and the communities in which they operate," Mr Landrigan added.

At a Glance: Burdekin, Hinchinbrook and Townsville LGAs

Direct expenditure of \$633 million comprising:

- \$70m in purchases from 754 local businesses (non-cane)
- \$443m in purchases from 1,077 cane enterprises with 1,471 cane-related workers
- \$120m in wages to 1,352 staff at the Pioneer, Inkerman, Kalamia, Invicta, Victoria and Macknade mills (all Wilmar)

Indirect/flow-on gross regional product (GRP) of \$219m

- supporting an estimated additional 1,792 jobs

Direct and indirect **\$852 million** in total economic benefits (GRP) and approximately **4,615** 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.

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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