



25 October 2018

## **2018 Queensland Sugar Limited (QSL) Annual General Meeting – Chairman’s Address**

*Delivered by Guy Cowan, QSL Chairman and Independent Director*

Good morning and welcome to the 2018 QSL Annual General Meeting.

I’d like to extend a special welcome to our Miller and Grower member representatives present today. We appreciate we represent growers and millers dotted right around the state, and we thank you for your efforts to travel to be with us this morning.

When I addressed this meeting last year we were embarking on a new era for our company, with Marketing Choice a reality after an extended period of industry upheaval, and newly-minted contracts in place with over 1100 growers from Wilmar milling districts, marking our transition from a marketing ‘wholesaler’ to a new direct relationship with growers.

Despite a protracted On-Supply Agreement negotiation process, we had retained the mantle of the largest marketer of Queensland sugar and also secured a new operating agreement to manage the state’s bulk sugar terminals for Sugar Terminals Limited.

I suppose this meeting last year was a bit like a low-key wedding reception – admittedly no open bar, but we were off to a wonderful start and looking forward to an exciting new life together.

Now as anyone who is or has been married can attest – that newly-wed shine can quickly dull once the realities of married life set in. I myself have a little experience in this space and can tell you that communication and the ability to adapt is key if you don’t want to eventually be squabbling over the washing up or even worse – sleeping on the couch.

Similarly, while our new contractual relationships with growers, millers and STL are all off to a strong start, we remain acutely aware that we must get the practicalities right in order to keep our new unions on track. That has meant a deep and ongoing commitment to seeking efficiencies and cost savings while also listening to our clients, acting on feedback, remaining flexible in our thought processes and constantly ask ourselves, how can we deliver more?

With our milling clients it’s resulted in a range of nuanced service offerings and we look forward to establishing new On-Supply Agreements with Mackay Sugar, as well as the new Far Northern Milling Company should their plans for Mossman Mill come to fruition.



With STL, it's meant operating the terminals in a way that aligns the requirements of the new multi-marketer environment with STL's challenge to maximise the value created through these vital industry assets.

And in the grower space it's involved an extensive education and support program, as we sought to help growers transition to a new way of working with QSL while constantly seeking to refine and improve our marketing offering. Our focus on front-line engagement in regional communities and a genuine willingness to do more and be more for the growers we serve helped us to increase our GEI Sugar nominations in 2018. But more importantly, I firmly believe our efforts have expanded growers' understanding and awareness of how marketing and pricing impacts their business and the tools available to them as they seek to remain profitable in a tough economic climate.

During the past year, Queensland cane growers have not only had to come to grips with a new way of doing things in the marketing and pricing space, but also had to contend with low world sugar prices driven by a record global surplus. It's during such periods that the actions of the marketer gain even more importance, and as Greg will detail in his CEO's presentation, I'm pleased to say that QSL's pools once again outperformed the market and most of our competitors during the 2017 Season.

It's also at times like this that our long-term relationships with valued customers in the Asian market really come to the fore, delivering important and on-going premiums in what is a crowded and highly competitive market. I'm proud to say that our international customers remain strong supporters of QSL and our renewed long-term contract with the South Korean refiners is just one example of how the Queensland growers and millers using our services are the true beneficiaries of these invaluable customer relationships.

In one form or another QSL and its predecessors have served the growers and millers of this state for nearly a century. But what I think the past few years have really illustrated is that, rather than some sort of vestige of the past, QSL is every bit as dynamic as the ever-changing industry we serve. Our staff have worked hard on very short deadlines to not only meet high expectations but push the bar higher. It's been exhausting, but it's laid the foundations of our achievements to date and remains key to our future success, and so I'd like to publicly acknowledge the entire QSL team today for their efforts and ongoing commitment to what we do and the industry we serve.

I'd also like to extend my personal thanks to the QSL management team and my fellow Board members for their contributions and support during the past year. The value of a stable Board, capable management group and dedicated employees cannot be underestimated, and I am proud to say that QSL boasts all three.



So as we begin to settle into what has become the new normal, I can assure you that QSL is in no way complacent. We firmly believe that Marketing Choice and the genuine competition it delivers brings long-term benefits for our industry, and appreciate that the ongoing custom of growers, millers, STL and our refining clients is never a given.

We're off to a promising start, but this pivotal first year of new marketing and operations arrangements has only reinforced our commitment to working harder, working smarter and working creatively to maximise the value delivered by all aspects of our business.

Thank you.