

Chairman's Address – 2020 QSL Annual General Meeting

23 October 2020

Good morning and welcome to Queensland Sugar Limited's 2020 Annual General Meeting.

I'd like to extend a special welcome to our Miller and Grower member representatives present with us here in Brisbane today and tuning in via video link.

This hybrid AGM format is a first for QSL and is reflective of the changed world we now operate in, just 12 months on from our last meeting.

For an industry familiar with dramatic fluctuations and unexpected developments, it must be said that the past financial year certainly set a new standard for curve balls.

After starting the reporting period with raw sugar prices between 11 and 13 US cents per pound due to a continuing global surplus, it seemed Australian sugar producers had received a much-needed change in fortune as 2019 drew to a close, with an unexpected crop shortfall in Thailand prompting a surge in prices, along with increased premiums and renewed industry optimism.

Thankfully many QSL growers were quick to lock in pricing which peaked in February at just under \$500 a tonne, before a new coronavirus, COVID-19, brought sweeping economic turmoil on a grand scale.

As millions around the world halted travel and trade in order to observe stay-at-home instructions, oil and ethanol consumption fell dramatically, prompting sugar prices to slip to a low of 9 US cents per pound by the end of April this year.

QSL moved quickly to introduce measures to protect our logistics and sales activities, and used our strong lines of credit to maintain continuity of payment for our Miller and Grower members throughout this period of heightened uncertainty.

The value of our ongoing investment in technology came to the fore, with existing platforms such as the QSL App and QSL Direct enabling growers to retain unimpeded access to pricing, payment and other QSL services despite the challenges of office closures and remote working.

Our Operations division not only implemented precautionary measures to protect terminal operations but worked closely with Sugar Terminals Limited to strengthen this important partnership and implement new ways to support STL's strategic vision and our industry's vital supply chain.

Throughout the global health and economic crisis which has dominated 2020, QSL has provided a continuity of service that has been integral to the Queensland sugar industry's successful operations.

And while COVID-19 has shone a light on the strengths and value of our business, it has also served as a reminder that we are more than just a sugar marketing and logistics company.

QSL's constitution states that our principal object is to promote the development of the Queensland sugar industry, and we are always looking for new ways we can do this.

Current industry challenges, such as declining productivity, reducing land under cane and aging farmers, have caused us to look at how we may be able to assist the cane farming sector by attracting new and continued investment.

These kinds of activities are not new, and we are currently evaluating a number of existing initiatives in other agricultural sectors, with the intent to apply these learnings where we can in order to identify and develop projects that attract investment to the Queensland sugar industry.

While the challenges and opportunities vary in each region, our efforts are driven by a common requirement that any potential project must be done in a way that protects our pool returns and the important value we deliver to industry through this core business function.

We look forward to working with our members and other stakeholders during the year ahead to identify new ways to add value to the industry we serve.

Like the rest of our business, the QSL Board is also focused on the future.

It has been a privilege to lead such a constructive and skilled board as Chairman for the past 6 years and to help guide QSL through what has been a pivotal time in its history.

I would like to thank the Board Selection Committee for their continued support and for my recent reappointment to this role.

However, this new term will be my last as a QSL Director and Chair.

My time on this Board has been both personally gratifying and enjoyable, and I genuinely look forward to working with my fellow directors and the wider QSL team to ensure a successful transition before finishing my time on the Board as of 31 December 2023.

On that note, I'd like to thank to our grower and miller members, STL and our international customers for their valued support and custom during the past year.

And finally, I'd like to extend my personal thanks to my fellow Board members, the QSL management team and QSL's staff for all your hard work to date, and for your ongoing commitment to tackling the challenges ahead.

Thank you.