



## **Chairman's Address – 2017 AGM**

**24 October 2017**

Welcome Ladies and Gentlemen to the 2017 QSL Annual General Meeting and thank you for taking the time to join us today.

Well, what a difference a year makes.

Those of us who came along just 12 months ago to this same event will recall that QSL was on the precipice of a make-or-break year.

While Marketing Choice had been legislated and we had signed an On-Supply Agreement with MSF Sugar, negotiations were still underway with Tully Sugar and our arduous and extended discussions with Wilmar had barely begun.

We were also yet to renew our Raw Sugar Supply Agreements with Bundaberg Sugar, Isis Central Sugar Mill and Mackay Sugar, and we were also yet to finalise arrangements with Sugar Terminals Limited regarding our potential future operation of the bulk sugar terminals.

I think it's fair to say that while we were certainly confident we would secure a positive outcome on all fronts, there were a lot of balls in the air and a considerable amount of work to be done.

Today, I'm very pleased to report, we have delivered on the promise of our last meeting.

Marketing Choice has moved from concept to reality and we now have On-Supply Agreements in place with MSF Sugar, Tully Sugar and Wilmar, enabling over 1500 Queensland farming businesses to choose QSL for marketing and pricing services for the 2017 Season.

On the RSSA front, Bundaberg Sugar, Isis Central Mill and Mackay Sugar all rolled their agreements, extending their existing contractual arrangements with QSL until 30 June 2020.

These two significant milestones formed the contractual platform that subsequently saw QSL maintain its mantle as the largest marketer of Queensland Sugar in the current season, and we're committed to building upon this strong start for 2018.

The past year also saw us reach agreement with STL on a new Strategic Operating Agreement for the continued operation and maintenance of our state's bulk sugar terminals. The new operating arrangement addresses the commercial sensitivities associated with the new multiple marketer environment and ensures that these important assets remain in the safe hands of QSL's new Operations Division for the next phase of the development of our industry.

In short, I believe QSL is now positioned to help grow the Australian sugar industry by providing growers with the confidence they will have choice to seek the best outcomes for themselves and their families, while knowing that the terminals will be managed fairly for the benefit of the entire industry

Unfortunately, as is often the case in business, there were also some disappointments along the way. Our plans to bring industry directors onto the Board were short-lived, but we remain optimistic that we can revisit this notion again at some stage in the future.



And after what was an enormous effort from our staff to successfully implement Marketing Choice under very tight deadlines, we did have to subsequently resize our business to reflect the arrival of competition and our reduced marketing tonnage.

Despite these disappointments, the past year has been one of great progress for both our business and the industry we serve.

We have long believed that Marketing Choice would be beneficial for our industry and the increased innovations we foretold have already come to pass. Marketing Choice has brought with it an array of new pricing products and services, as well as multiple new payment options for Queensland Growers. Some of these innovations were from QSL, some were from our competitors, but all were driven by the increased competition now in play.

Of course none of QSL's achievements during the past year would have been possible without the continuing support of our milling partners, particularly our RSSA signatories. Let me say to you today that we appreciate your continued custom and we look forward to working closely with you to identify how we can further develop our service model to support the changing needs of your business.

And of course, we are also indebted to the hundreds of growers who fought so hard for so long – often at great personal and financial cost – for their right to access our services.

We believe the fight has been worth it and we are committed to proving that in both our actions and results for many years to come. We are highly aware that the support of both our miller and growers members is never a given, and that we must continue to perform or perish in the new competitive environment.

In closing, I'd just like to take a moment to acknowledge the efforts of the QSL staff.

The uncertainty of the past three years has certainly weighed heavy on our business, but I must say I have been so impressed by the calibre of our team. While we work on an international stage, we are, in essence, a relatively small Queensland business, with most of our workforce based in regional centres.

Our staff have risen to meet countless challenges during the past three years, and they have done so with a level of commitment and dedication that is ultimately at the heart of our success and gives me great optimism for the year to come.

Thank you.