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Competition not control – time to end conflict in sugar marketing

CANEGROWERS is calling on Queensland's sugar milling companies to do the right thing and vote at next week's Queensland Sugar Limited (QSL) AGM to end a serious conflict of interest at the heart of Australia's sugar marketing system.

QSL is the industry's oldest and largest sugar marketing company, selling raw sugar to the world on behalf of growers and milling companies for decades.

The industry-owned, not-for-profit organisation has also operated the industry's bulk sugar terminals on behalf of Sugar Terminals Limited (STL) — a partnership that is scheduled to end in 2026 following STL's controversial decision to move towards in-sourcing terminal operations from July.

When that occurs, major overseas-based milling companies that were once both terminal customers and marketing competitors of QSL will become competitors only – rendering their membership unnecessary and posing a clear conflict of interest.

"When a business is governed by its competitors, the risk of a conflict of interest is inevitable," CANEGROWERS Chairman Owen Menkens said.

"The industry needs fairness and transparency so that we can all have confidence in the system. And there can be no appearance of fairness while competing mills continue to hold influence over QSL's governance."

Mr Menkens said growers had fought long and hard for the right to choose who markets their sugar – a victory secured a decade ago through Queensland's Grower Choice legislation.

"The continued ability of mills to carry influence over QSL is a hangover from the past and it's time to move on."

Mr Menkens said supporting the constitutional change would demonstrate integrity, respect for growers, acknowledgment of the value of competition, and a genuine commitment to a united industry focused on commercial arrangements that incentivise good outcomes for the whole industry.

The proposed constitutional change requires a 75 per cent special majority of both Grower and Mill Member classes to pass.