

# Stuart Gregory

## Speech at the re opening of the Lucinda Bulk Sugar Terminal

Thursday 1 November 2012

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Welcome to you all.

As well as the many other distinguished guests here today, I would like to acknowledge the Sugar Terminals Ltd directors – Con Christofides and Andrew Capello and our General Manager - Richard Farquhar

As you can imagine, STL (as owners of the Lucinda facility) are extremely pleased to see it back in operation and serving the sugar industry of the Herbert River region.

Prior to taking on the Chairmanship of STL, I visited the terminal in August 2010 with the previous Chairman, Michael Brown, and was most impressed with what was a truly amazing piece of infrastructure. A 5.7 kilometre jetty, servicing a deep water wharf, able to accommodate fully loaded Panamax sized bulk sugar ships, was an asset of which we were justifiably proud.

After doing a little research, I established that a deep water sugar terminal at Lucinda was discussed as long ago as the 19<sup>th</sup> Century. I found an item from the Australian Town & Country Journal of 13 January 1894 which reported that 'the settlers and sugar planters on the Herbert River are promoting a scheme for the construction of a railway from Stone River through Halifax to Lucinda, a point on the Hinchinbrook Channel and to build a jetty to deep water.' Clearly a very ambitious project for the time.

It was apparently 1896 when Lucinda became the sugar port for the Herbert River district, when CSR Limited "opened a sugar tramway to Lucinda Point, built a jetty and transferred a sugar shed from Halifax to the new facility, so Ingham was connected to the port facilities". I understand that the terminal at that time would have handled ships of a couple of thousand tonnes, with the sugar, of course, in bags.

The original bulk sugar terminal at Lucinda was completed in 1958 and this was upgraded with the construction of the number 2 storage shed in 1965, at which time it was reported that 'the size of bulk carriers which may use the port is severely limited by the available draught and acute bends in the Hinchinbrook Channel, so the normal cargo which can be lifted in any shipment is of the order of 5,000 tonnes.'

With changing shipping trends and the progressive redundancy of small coastal bulk carriers, the need to upgrade Lucinda to an export port assumed greater significance, so in 1974 the Sugar Board commissioned Macdonald Wagner & Priddle, in association with CSR Limited to investigate the feasibility of three alternative proposals:

- 1 To close the Lucinda terminal and rail the sugar from the Herbert River mills direct to Townsville;
- 2 To undertake a major and continuing dredging program, so the existing jetty could be used for larger ships; and
- 3 To relocate the wharf to natural deep water and construct a 5.7 kilometre jetty and conveyor system to service it.

The decision was made to go with the third of these proposals and between 1976 and 1979 the facility in its current configuration was designed and built.

It was completed in 1979 and officially opened by the Rt Hon Malcolm Fraser, PM of Australia on 2 July 1979 – some 33 years ago.

Located as it is in Far North Queensland and therefore subject to severe tropical cyclones, the original construction was designed "to withstand the wind and wave loadings of a 1 in 50 year cyclonic disturbance". However, as Malcolm Fraser once said 'life wasn't meant to be easy' and so it wasn't for the Lucinda jetty and wharf on the night of the 2<sup>nd</sup> and early morning of the 3<sup>rd</sup> February 2011, when category 5 Cyclone Yasi crossed the coast, with its centre about 40 kilometres north of Lucinda. With wind gusts estimated by the Bureau of Meteorology to be in excess of 285km per hour; a 5 plus metre tidal surge; and waves of almost unimaginable height and strength.

I expect some of you were in the vicinity when Yasi struck that night. Those of us who weren't, can't begin to imagine what it must have been like. Nature at its most violent!

The STL Board visited Lucinda in May 2011 and saw what a sorry state the jetty and wharf were in. We had seen many photos of the cyclone damage, but seeing it up close disclosed graphically what it must have been through that night in February.

It is certainly very pleasing to see it now that it has been fully repaired and rebuilt, stronger and more cyclone resistant than before. It incorporates the latest construction techniques to maximise its strength. So we have every confidence that despite the inevitable future severe tropical storms, it will still be in very good shape for many, many years into the future.

Over the last 21 months, a lot of people have worked very hard to effect the transformation we see today. A lot of time, effort, energy and money has been spent getting the terminal back into operation.

As you can imagine, repair jobs the size of this one require a major coordinated effort by a large number of people, companies and organisations, many of whom are here today or are represented here today.

So on behalf of the board, management and shareholders of STL, I would like to thank very sincerely all who have contributed to the restoration of this very important piece of infrastructure for the Queensland sugar industry – particularly important for those in the Herbert River cane growing and milling area.

Our principal contractor – Abergeldie – is represented here today by Mick Doyle and Mark Whelan, while our principal engineers – Aurecon – are represented by Arne Nilsen, Peter MacIntyre, Bill Hall and Ian Brauman – thank you gentlemen.

Our insurers – FM Global – represented by Mark Bonner , and our Insurance Brokers – Marsh – represented by Richard Lance, were extremely helpful and cooperative throughout the rebuild.

And very importantly and from our point of view most importantly, the terminal operators, Queensland Sugar Ltd represented by board members - Nicole Birrell and Guy Cowan and by CEO Greg Beashel and quite a number

of members of his team, who have been involved in the rebuild since day 1 and have constantly lived with the issues, the inconvenience and the disruption to their operations.

Many others have also played a part, including the Port of Townsville; Qld Police; the Dept of Main Roads; and others from the local community whose contribution I may unfortunately miss acknowledging.

On 27 August this year, the first ship since January 2011, the New Ambition, successfully loaded 27,000 tonnes of raw sugar, bound for America. Since then, 4 more ships have loaded sugar for export, and the terminal is now back to full operational capacity.

We're told that Yasi was a 1 in 200 year event, so I hope none of us will be around when the rebuilt jetty and wharf are tested to the same extent as in February 2011. I'm confident it will remain a very valuable facility for the Queensland sugar industry, which will allow the industry to grow and prosper, as Asia and the rest of the world look to Australia and to Queensland in particular, for their food supplies.

The terminal can store 230,000 tonnes of sugar and load at over 1800 tonnes per hour. It is one of the 6 STL owned bulk sugar terminals in Queensland, that are operated under the management of QSL, more efficiently than bulk sugar terminals anywhere else in the world.

We believe the terminal is a very important piece of infrastructure for the Queensland sugar industry and for Lucinda and its surrounding cane areas. STL is very keen to continue to provide, and QSL is very keen to continue to operate, world class facilities with world class efficiency.

The STL/QSL partnership has worked well for over 10 years and under the relatively new management of Chairman Mike Carroll and CEO Greg Beashel, we hope and expect to continue and to improve that working relationship for the ultimate benefit of the Queensland sugar industry.

The newly repaired Lucinda terminal will be an integral part of that successful partnership for many years into the future.

Ladies and gentlemen, I have great pleasure in declaring the Lucinda bulk sugar terminal officially re-opened.