

16 October 2017

Notice to Growers and Shareholders

With respect to the recent judgment of Justice Jackson in the matter of *Stroppiana & Ors v Mackay Sugar Limited* [2017] QSL 217, it is clear from the feedback received by Mackay Sugar to date that there is confusion on the part of some growers as to the effect of the judgment.

Mackay Sugar restates below the only two orders made by Justice Jackson on 5 October 2017:

- 1 *'It is declared that the expenses the subject of the charge of \$2 per tonne of cane imposed by [Mackay Sugar Limited] on 2 June 2017 are not expense items deemed to be applicable to all sales of sugar within the meaning of Annexure D to the Cane Supply and Processing Agreement.*
- 2 *The application is otherwise dismissed.'*

Order 1 was only made in favour of Mr and Mrs Stroppiana who were the parties to the court proceedings but, based on the form of the order, Mackay Sugar accepts that the order would also apply to a limited number of other growers, namely those growers who, via their Bargaining Representatives, received correspondence from Mackay Sugar on or about 2 June 2017. That letter notified them of the Mackay Sugar board decision to the effect that a \$2 per tonne of cane charge would be imposed on those growers to cover expenses relating to the operating costs, repair, improvement and maintenance of Mackay Sugar's infrastructure. As a result, **in addition to Mr and Mrs Stroppiana, the repayment of the \$2/tonne deemed expense only applies to the following growers:**

Bargaining Representative	Grower / Farm No.
A. & S.F.K. Barfield	Barfield A. & S.F.K. - 3279, 3280
D.F. & J.G. Bloxsidge	Bloxsidge D.F. & J.G. - 3021
R.E. & J.K. Davey	Davey R.E. & J.K. – 2183, 3010
I.D. & T. Ellwood	I.D. Ellwood – 3180 I.D. & T Ellwood – 3181
R.S.M. Galea	Galea P., M. & R.S.M. – 3281 Galea P. & M.R. – 2448 Galea R.S.M. – 2474
V. & C.M. Germanotta	Germanotta V. & C.M. – 4193, 4690
A. Galea	MSC Galea Pty Ltd T/A AJG Mechanical – 3182
D.J. & K.L. Muscat	Muscat D.J. & K.L. – 2233, 2652, 3030 Muscat J. & C.T. – 2207

Bargaining Representative	Grower / Farm No.
G.M. & T. Parkinson	Parkinson G.M. & T. ATF Parkinson Family Trust – 2429, 2458, 2459, 2483, 2545
L.C. & G.M. Paul	Paul L.C. & G.M. – 2226 Paul D.D., L.C. & G.M. – 2547 Paul L.C. & G.M. and Lamb T.J. & P.M. – 2510
B.R. & A.M. Watt	Watt B.R. & A.M. – 2662
R. & P. Watt	Watt R. & P. Pty Limited ATF Watt Family Trust – 2272
C. Pozzetti	Durnsford N.L., R.A., N.J. & E.P. ATF and S.J. & V.L. ATF – 1343, 1307, 1277, 1304, 1759 Pratt N.W.T. – 1227A, 1227B Pratt N.W.T. & A.N. – 1230 Pratt N.W.T & P.D & Pratt A. ATF – 1464 Durnsford L.R., B.W. , M.R. & P.L. – 1305B, 1305C Durnsford L.R. & J.H. – 1346 Durnsford L.R. – 1390 The Les Durnsford Family Trust – 1345 Vella J. & D. Pty Ltd ATF D Vella Family trust & P.J. Vella Family Trust – 3199, 3200 Bradshaw W.R. – 2160 Ruggeri A.V. & B.E. – 2186, 2187
B.M. & A.J. Butt (subsequently appointed C. Pozzetti)	Butt B.M. & A.J. – 4234

The refund to Mr and Mrs Stroppiana has already been processed and the refunds to other growers listed above are in the process of being calculated and will occur in the next cane payment run on Friday, 20 October 2017.

For the sake of clarity, Mackay Sugar will not be refunding the \$2/tonne grower contribution to any grower who:

- had not formally appointed an alternative Bargaining Representative before 23 May 2017; and
- had not received correspondence from Mackay Sugar on 2 June 2017 deeming the expense to be payable,

as those growers are not included in Order 1. Additionally the judge denied the application made by Messrs Mattsson and Ash for an order that they were not bound by the 23 May 2017 amendments.

The terms of the order as outlined above are abundantly clear and Mackay Sugar will not be entertaining the repayment of any other funds to any other growers beyond those listed above. If you have any questions about this approach or wish to better understand the terms of the orders made we suggest you should direct them to Wallace & Wallace who represented the growers in the court case.

Mackay Sugar continues to investigate its appeal options with respect to the judgment of Justice Jackson.

As advised previously, Mackay Sugar is committed to the principle of fair treatment to all growers under the Mackay Cane Supply and Processing Agreement. We are currently reviewing the options available to us to ensure that all growers should be treated fairly and consistently, and contribute equally with respect to the grower contribution and to support the ongoing needs of the business.



A. S. Cappello
CHAIRMAN