

Bega Group to shut Strathmerton Australia site

07 May 2025 | News

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Following an extensive review, Bega Cheese Limited (Bega Group) has announced the consolidation of its Strathmerton, Australia cheese processing and packaging operations into its existing site at Ridge Street, Bega. A phased closure of the Strathmerton site is expected to be completed by mid-2026.

Bega Group CEO, Pete Findlay, said: “As the business maintains its focus on delivering productivity improvement and growth, we continue to look at opportunities to simplify our operational footprint and invest for the future, ensuring we maintain globally competitive infrastructure.”

The consolidation of sites is expected to deliver \$30 million per annum of cost savings by eliminating duplication and reducing fixed costs once the integration is complete. A capital investment of approximately \$50 million will be required at Ridge Street, Bega, to ensure it has the necessary capability and capacity for the combined operations.

The project will be funded within Bega Group’s normal capital expenditure program. A non-cash impairment of \$30-\$40 million is expected for the Strathmerton assets (including buildings, plant and equipment and other assets), along with one-off cash costs of \$30-\$40 million that predominantly relate to redundancies for impacted Strathmerton employees and associated group roles. After full implementation, an Earnings Per Share improvement of 2 cents per share is anticipated.

The Bega Valley is the home of the Bega Group, which has a rich heritage in the area. Investing in the Ridge Street site enables the Bega Group to enhance its capability and modernise its cheese processing and packing operations. It is expected to create approximately 100 jobs in the Bega Valley. Bega Group is working closely with the approximately 300 employees at Strathmerton, whose roles are impacted by this change and will be supporting them through this transition.