

Submission on draft determination

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We are a family of cane farmers, based near Mackay in Qld. We purchased our irrigated cane farms in 2020; since the purchase, electricity pricing has increased from 16c a kw for irrigation to 32c a kw for Tariff 20 in July 2023. This will have a direct impact on the on-farm irrigation of the cane. The electricity increases will mean that using hard hoses to irrigate will be uneconomical.

For every 10ml of water applied, an extra 3 tonne of cane is produced. The more cane produced, the more income for farmers which results in more income tax gains for the Qld Government. It also means an increase in food production, electricity production from the cane by-product, more production for the fledgling aero biodiesel fuel, renewable cardboard etc. If cane farmers can access a farm tariff that supports cane production, there are many industries that will also be supported. This increase in cane production will also flow onto increased income for the sugar mills, which is one of the main employers in Mackay. Any lessening in production will reduce employment on-farm, in the mills and all of the support business in Mackay. As well, Mackay Sugar can produce enough power from the mills to power 30% of all of Mackay for an entire year. This electricity is from a renewable source. Any reduction in cane production will reduce the amount of electricity Mackay Sugar can produce.

Electricity rises will also increase indirect costs through increases in water supply schemes in the Pioneer Valley. It means that the Part A costs (fixed costs) of water schemes in the Pioneer Valley will increase and disincentive farmers to utilise the Part B costs (variable costs), thereby disincentivising cane production. Already only 16% of Teermburra Dam water is the Pioneer Valley is used. Electricity increases will reduce this use again, even though 100% of the water is available for use. This will be wasted infrastructure that was built to increase cane production.

If the Qld and Australian government want Australian Agriculture to drive the economic recovery and secure our Australian food supply, then reintroducing a farm electricity tariff will be a great support.
