

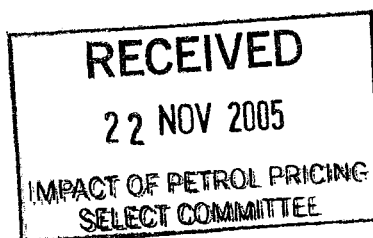
*Tabled at the
Hansy 16.11.05*

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Mr Rob Hansen
Research Director
Impact of Petrol Pricing Select Committee
Parliament House
BRISBANE QLD 4000

IMPACT OF PETROL PRICING ON RURAL FARMERS

We are sugar cane farmers in the Herbert Region and grow when seasonal conditions favour farmers – approximately 16,000 tonnes of cane.

The vehicles associated with our farming enterprise mainly run on diesel fuel, with others running on petrol.

All farm costs have increased with the fuel price increase e.g. fuel, fertilizers which alone have increased by \$30 per tonne in the last three months.

Household fresh food, groceries, clothing etc. have increased with the fuel price increase. In fact all costs seem to be increasing each week. Our fresh food is transported from North Queensland, down to Brisbane and then transported back again. Where is the sense in this? Once upon a time we had wholesale markets in Townsville (C.O.D) where the fresh food was sent out without going to Brisbane. Centralization rearing it's ugly head and taking jobs out of the North.

Not only do we pay for fuel, we are also paying fuel excise which is a tax and then we are paying GST on top of this which is a tax on top of a tax. This is wrong, wrong, wrong. We are being robbed blind.

All of our input costs for farming are paid in advance and we wait for two years to get our money back and hopefully make a profit, unfortunately this does not seem to be happening at the present time. We cannot get ahead because of escalating costs eating up any profit we might make. This is a catch 22 situation because as you know a farmer cannot pass his costs on to anyone and he can no longer afford to absorb them.

We have been told to increase our productivity, cut our costs by 15%, increase our CCS (sugar content) by .5. Well tell us how when everything is going up at an alarming rate?

From the Hilmer Report 2000. He said that farmers should be earning \$30 per tonne. With inflation this should now be up around the \$35-\$37 per tonne mark. We fall a long way short of his recommendations.

The increase in harvesting has gone up by 10c per tonne. Most of the harvester operators have absorbed some of the cost and in the main it is around 10c. On a 16,000 tonne farm the costs just for this alone is \$1,600.00 extra.

Farmers are struggling to survive and it seems to be that we are working longer and harder for less and at the end of the day there is no profit, poverty line wages and definitely no money to fix infrastructure. It is time that the Government and associated policy makers started making more informed policies to ease burdens on the rural sector