




Speech By  
**Steve Bennett**

**MEMBER FOR BURNETT**

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## ADJOURNMENT

### Sugar Industry

 **Mr BENNETT** (Burnett—LNP) (11.22 pm): In rising to share with the House a case study on the rapidly increasing costs and the negative effects on sugarcane production in the Bundaberg mill region, I want to acknowledge the work provided to me by the Bundaberg Regional Irrigators Group and Dale Hollis. Increasing costs of irrigation, mainly electricity used on farm, will lower farm viability and lead to a reduction in water use by the Bundaberg sugarcane growers. This potential loss of production is a major concern, as even a five to 10 per cent loss in production will increase the risk of further sugarcane mill closures and the loss of jobs in the associated service areas in growing, harvesting, transport and milling.

The Bundaberg region has a variable climate, with rainfall varying from well below to well above the annual crop requirements. In these varying circumstances, continued rapid rises in energy costs to essential irrigation in agricultural industries will jeopardise the future viability of community and private infrastructure. Tariff 62 was a common irrigation energy plan for 60 per cent of sugarcane irrigation users of travelling irrigators. Based on night off-peak use of 65 per cent and day use of 35 per cent, the energy component has risen by 62 per cent from 2008 to 2012.

If the 2013 draft tariff increase is implemented, this will lead to an overall 90 per cent increase in irrigation pumping costs for tariff 62 over five years. There are many examples where enterprises reduce and even cease commercial sugarcane operations when factors like commodity prices and running costs have a huge impact on economic viability. The Bundaberg sugar farmers cannot afford this outcome.

The value of irrigation to my electorate has been enormous, more since the surface water irrigation scheme drought proofed the region. This has supported the local economy for many decades. The impact of increased electricity rises affects irrigators operating big gun travelling irrigators. More than 60 per cent of the most productive sugarcane farms in Bundaberg use these systems. Electricity cost not only directly affects the viability of farm irrigation pumping systems but also the cost of the farm irrigation water supply.

The sugarcane industry is a major industry with a demonstrated economic multiplier effect on our local economy of around seven times. In my electorate, the long-term viability of the sugarcane industry and ultimately the diversified workforce that depends on this industry will be determined by the viability of farm irrigation. Investment in irrigation infrastructure is a long-term strategy and returns need to be sustained over the long term to justify the commitment. The broader employment aspects and the longer term sustainability of farming enterprises needs to be considered when developing price paths to full cost recovery. I welcome the inquiry into the Queensland Competition Authority's proposal for electricity prices. I emphasise again that any chance I get in this House I will raise the issue on behalf of the farmers in the Burnett and obviously the other irrigating systems and ask for action in this area.