

QCA Submission

12/12/2012

I am a sugarcane farmer from the Burdekin area.

My family enterprise has a number of irrigation units which will be impacted by the potential changes under review.

After attending the latest workshop in the Burdekin, I feel it prudent to provide some feedback based on some examples that will show clearly the considerable impacts on our farming enterprise.

Over a number of decades I have installed a number of pumps on my original property to take the best advantage of the long standing off peak tariffs. Thus I have been accustomed to irrigating at night to access off peak rates. There is an added advantage using off peak furrow irrigation. There is less evaporation.

There are 4 pump installations on the original farm which deliver 1,280,000 lts/hr to irrigate 58 ha of cane land. The installation cost has been considerable amount more than only a possible 2 installation that would irrigate this land day and night. I can't provide exact cost impacts but each installation is worth \$50, 000+, also there is an added cost of the ever increasing Ergon service fee on each and every pump installation. These pump installations have a continuing life span of another 30 years and I believe as pumps, spears, and electrical components fail I will be replacing them at my cost.

If off-peak concessions were removed on this area, it would change my normal night time pumping practice which I am accustomed to. This would create an extra burden on the peak supply and would render my original infrastructure underutilised and obviously place an extra cost when maintenance is required for all 4 installations.

In recent times our family farm enterprise has expanded. My son purchased another 100ha farm 2 years ago and I purchased a neighbouring farm early this year. This now increased our pump installations that we maintain to 12 pump installations to irrigate a total of 210ha. While these other farmers (previous owners) may not had as much focus on best and most efficient pumping, we have.

I had engaged a consultant to provide information on possible changes to improve these new farms. Attached are the reports provided based on tariff changes of 2 new pumps installed for trickle irrigation to be as efficient as possible.

To provide background on the new changes here are our redevelopment projects:-

Son's property

When purchased, a 40ha portion of the property had no infrastructure, 5 small paddocks and very poor ability to be irrigated to grow reasonable sugar cane.

Consideration to improve the 40ha area was based on a comparison between normal furrow irrigation and installation of a new trickle system. The high cost of installation of trickle (\$230,000) as compared to land earth works, laser levelling and flood irrigation underground pipes was determined to be offset by reduced water use, better management, less environmental impact and of course lower energy costs.

This trickle project will have a life span of around 30 years but with the tape being replaced 3 times at a current cost of \$80,000 each time.

Attached is Aaron's report which provided the best tariff of which was installed prior to knowledge of current tariff situations. You can see that any change from this tariff will greatly impact on the time frame we will need to recoup the cost of the unit.

Joe's farm

In my instance again Joe's reports indentifies the tariff differences. Prior to knowledge of change to tariff structure I had made the decision to install pumping capacity for the other trickle project to fully utilise off-peak pumping. On this occasion there is a direct cost impact of an extra \$13,000+ in pump size, electrical and piping above a pump that would have run continually. This trickle project is expected to cost around \$220,000 when completed. Based on information given by the Netafim company the life span of this system will be at least 30 years, but I will need to replace the trickle tape itself 3 times at a current value of \$70,000 each time.

My focus is to continue to develop our farming enterprise to become as cost efficient as possible along with my moral and environmental obligation to reduce my impacts on the Barrier Reef and the wider community. I have continued to change farming practices to meet these aspirations but unfortunately, if no consideration is given to cases like me, we will be greatly disadvantaged and certainly could put my enterprise at financial risk in a future of ever increasing costs.

Please peruse my consultant's reports that show potential impacts of any change.

If existing tariffs are to be removed please delay the change to help our enterprise time to recoup the extra costs of our pump installations.

As my example is only one of many in similar situations, impacts of our magnitude should be extrapolated across our full sugarcane rural industry.

These comments are based on my understanding and the direct cost impacts that our enterprise will be subjected to. I am aware there are a number of other hidden components but I will not duplicate and am also supportive of all other suggestions made by Queensland Canegrowers.

I normally do not complain when changes are imposed on us by government but on this occasion these changes will place a considerable burden on our enterprise and future decisions to remain viable. This will also impact on my son to take over and continue farming.

Thank you for the opportunity to provide this submission.

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Sugarcane farmers
Burdekin region.