

Energy on Farms



A MAJORITY LIBERAL GOVERNMENT WILL:

- Invest \$6.25 million into renewable and efficient energy technologies on farm
- Review and set irrigation (electricity) tariffs to lower farm energy costs
- Create a new Farm Energy Advocate



Deliver a stronger economy and more jobs

A re-elected Hodgman majority Liberal Government will invest an additional **\$6.25 million over 3 years** into renewable energy generation from irrigation and other practical tools to help farmers manage energy costs.

This is another part of our **Tasmania First Energy Policy** aimed at making Tasmania energy self-sufficient and ensuring we have the lowest regulated electricity prices by 2022.

We understand that growing Tasmanian agriculture means fostering a competitive, innovative and profitable farming sector. Energy costs are a critical cost of production for farmers, especially in relation to maximising the benefit from irrigation and for attracting investment into agribusiness.

Farmers and irrigators have already benefited from the Hodgman Government's action to reduce power prices. Prices are lower today than when we came to Government four years ago. We legislated a cap on increases in electricity prices for households and small business to 2% for 2017/18 and supported unregulated energy customers, many who are farm businesses, through the \$20 million Energy Rebate Fund.

We have also increased the energy security of our state by increasing the prudent water management levels for Hydro storages. We successfully protected the economy and kept the lights on with our Energy Supply Plan in response to the most extreme energy situation ever experienced due to drought combined with an extended outage of Basslink in 2016.

We are taking further action specifically for farmers to provide them with affordable and predictable power prices including supporting improved on-farm energy efficiency.

Sustainable on-farm energy

A \$5.5 million, 3 year, Tasmanian Irrigation Renewable Energy Program:

Working with irrigators Tasmanian Irrigation will construct mini and micro hydro-electric systems as part of the irrigation system network. Hydro generation systems have the potential to utilise excess pressure provided by some irrigation schemes to generate power, reduce irrigation energy costs, and potentially eliminate the need for on-farm diesel generators.

The Tasmanian Future Irrigation Project undertaken by Tasmanian Irrigation identified the potential for hydro-electric systems to further reduce irrigation energy costs and strengthen the sustainability credentials of Tasmania's irrigated farming sector.

Our Targets

Grow the annual farm gate value of the agricultural sector to \$10 billion per year by 2050.

#7: *Double the amount of water available through Tasmanian Irrigation Schemes by 2025*

#19: *Ensure Tasmania has the lowest regulated electricity prices in the country by 2022*

#41: *make Tasmania energy sufficient with an additional 1,000 gigawatt hours of on-island renewable energy by 2022.*

For the full list of our Targets: www.buildingyourfuture.com.au

Why Tasmania Needs This

Only the Hodgman Liberal Government has a vision and target to significantly grow our agriculture and food sector, one of the pillars of our State economy.

We will invest more than \$150 million to deliver the next phase of our comprehensive **AgriFood Plan for 2018-23**.



Deliver a stronger economy and more jobs

A \$750,000, 3 year, On-farm Energy and Irrigation Audit Program:

Farmers will be subsidised to engage a qualified professional to review their farm energy use, infrastructure and systems and identify savings strategies. This can include advice on solar, pumping and efficient irrigation systems, general farm operations, domestic usage, and farm machinery and equipment which can save thousands of dollars each year in electricity and water charges.

We will also support farmers to access the additional capital required by **expanding the successful AgriGrowth Concessional Loan Scheme with a further \$20 million facility**. This represents an opportunity for farmers to invest in solar or other energy technology. The loans are already available to farm businesses to support productivity or value enhancement activities including proprietary energy efficient or renewable energy farm infrastructure.

Competitive irrigation tariffs

New irrigation systems are heavily reliant on electricity to run pumps and irrigators. Working with the Tasmanian Farmers and Graziers Association **we will review the current tariff structure** and set irrigation tariffs that are more suitable to modern irrigation enterprises and offer a competitive advantage to Tasmanian irrigators, including ensuring tariffs are available which are equal to or lower than Momentum's offers on the mainland. This includes tariffs that enable better energy and water utilisation, support flexibility and enable farmers to lower their energy costs to suit different farming enterprises.

We will also create a specific position within Aurora Energy of a **Farm Energy Advocate** who can work directly with farmers to help them develop the minimal cost energy supply options, including optimising tariffs, that best suit their business and farming enterprises.

In consultation with farmers and agribusiness, we will also prepare a whole-of-Government *White Paper on the Competitiveness of Tasmanian Agriculture for 2050*. The White Paper will consider policy improvements to address key issues impacting the cost of production, investment and the profitability of farmers and agribusiness. This includes for example, energy and water costs, environmental compliance, the costs of regulation, accessing Government services, and access to new technologies.

Our record in Government

- ✓ Prices are still lower today than when the Hodgman Liberal Government came to government four years ago.
- ✓ We took action in 2017-18 by limiting power price increases to 2 percent compared to up to 20 percent in other states and we protected medium to large customers exposed to high prices through our \$20 million Energy Rebate.
- ✓ Introduced the successful \$20 million TEELS scheme to support the uptake of energy efficiency appliances.
- ✓ We improved energy security by increasing prudent storage levels.
- ✓ We implemented the Energy Supply Plan in response to extreme drought and the extended Basslink outage that kept the lights on and protected the economy.

The Tasmanian Liberals' Plan



Deliver a stronger economy and more jobs

Cost

The Energy on Farms Package costs \$6.25 million.

Labor Green Record

Under a Labor-Green minority Government your farm energy costs will rise.

Power prices increased by 65 per cent over 7 years under Labor. They lowered the prudent water management levels during the carbon tax period putting our energy security at risk. Labor preferred to turn the lights off – calling for power rationing during the extreme energy issues faced in 2016 instead of supporting the Government's successful Energy Supply Plan that kept the lights on.