AUSTRALIAN Sugar Milling COUNCIL

11 May 2018

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Via email: emily.reading@dsdmip.qld.gov.au and vanessa.neilsen@dsdmip.qld.gov.au

Dear Vanessa and Emily

RE: Queensland solar farm guidelines:
Practical guidance for communities, landowners and project proponents

On behalf of our six Queensland members, the Australian Sugar Milling Council (ASMC) welcomes the opportunity to comment on the proposed Guidelines for Solar Farms. We acknowledge the comprehensive, clear and practical document you have developed for use by businesses, farmers, councils and the community. We also welcome the focus on ensuring developments secure an ongoing social licence to operate.

Our key feedback and concerns relate to the following list of key principles:

- Commitment to the protection of "Good Quality Agricultural Land" (GQAL) (page 8 of the guidelines refers to an ideal site on land of lower agricultural value and page 19 refers to 'where possible avoids GQAL').
- Commitment to honouring existing legislation and the planning instruments against which the sugar milling industry has made long-term investment decisions
- Commitment to considering all flow-on effects on businesses, like sugar mills, in the area surrounding a proposed solar farm
- Commitment to considering the detailed cost/benefit implications for local business community members, particularly when site selection prioritises proximity to a suitable grid connection point (page 19 of the guidelines refers to 'less than 5km' distance).

ASMC members are strong supporters of renewable energy. Sugar mills are self-sufficient in energy, burning the renewable sugar processing by-product, bagasse to generate electricity and steam for milling operations. Up to 50% (500 GWh) of the electricity generated annually is exported to the grid, providing power for the equivalent of 170,000 Queensland homes.

As a competitive sector we also acknowledge the need for the sugar industry to compete with other agricultural sectors to maximise the agricultural value of land within our growing regions.

Confidence in the stability of key policy settings is the driver of ongoing investment in the industry. In the spirit of fairness and transparency, we wish to see governments at every tier honour the legislation and planning instruments against which the industry has made long term investment decisions.

Recent investment is undisputedly based on the expectation that successive governments will recognise the planning instruments that protect the status of good quality agricultural land (GQAL). That is, once declared GQAL, a business or industry will not be required to defend continually the status of that land from alternative uses.

Under the former State Planning Policy 1/92, Development and the Conservation of Agricultural Land, Policy principles 1 and 2 state:

> *"Good quality agricultural land has a special importance, and should not be built on unless there is an overriding need for the development in terms of public benefit and no other site is suitable for the particular purpose (section 3); and*
> *The alienation of some productive agricultural land will inevitably occur as a consequence of development, but the government will not support such an alienation when equally viable alternatives exist, particularly where developments that do not have specific locational requirement (e.g. 'rural residential') are involved (Paragraphs 4.6- 4.7)".*

Unfortunately, every milling company in Queensland has experienced the loss of high value sugarcane farmlands, some of which has been driven through a distortion of, or unintended consequences from a range of government policies (local, state and federal) over time.

Our concern, therefore, is that the loss of sugarcane farming land affects more than the viability of an individual mill; it affects the efficient utilisation of assets, and therefore the profitability of the entire region.

In recent years, there have been instances where local governments have suggested that an individual parcel of land is of small consequence to the local sugar milling region. However, urban encroachment and forestry Managed Investment Schemes (MIS) have demonstrated that the first 'inconsequential' parcel of land that is lost can set a precedent, leading to the loss of large tracts of GQAL.

If land in a mill's immediate catchment is put to alternative uses, the sugar mill's viability will decline in parallel. The mill is still required to maintain its asset base, but plant under-utilisation will result in higher input costs and lower profit margins. Conversely, the more land under cane in the region, the lower the input cost per hectare to maintain rail and milling infrastructure.

An additional concern relates to the water allocations often attached to GAQL. If a land use change to solar results in the sale of the associated water allocation, it seems highly unlikely that the land could ever return to productive agriculture.

While acknowledging that solar farms can play an important role in the renewable energy mix, it is the Milling Council's contention that their establishment on land currently used to grow sugarcane will have an overall detrimental effect on the economy of local communities. Solar farms and the sugar industry can co-exist in regional Queensland providing solar developers establish their sites on low value land.

Good quality agricultural land is a scarce resource in Australia and must be protected to support primary agricultural activities such as sugarcane production.

Yours sincerely

David Pietsch
Chief Executive Officer