



NSW FARMERS' ASSOCIATION POLICY POSITION ON CLIMATE, ENERGY & ELECTRICITY

NSW FARMERS' ASSOCIATION POLICY POSITION ON CLIMATE POLICY

Evidence now suggests that the climate is changing at a faster rate and has become more variable. As a sector highly exposed to changes in climate the Association believes that the agricultural sector must take action to address changing climatic conditions and increased climate variability in order to maintain and increase its productive capacity.

NSW Farmers encourages governments to support the transition from fossil fuels such as coal and gas, towards more renewable energy sources in rural, regional and remote areas. However the transition must be of net benefit to farming communities to achieve our support.

NSW Farmers Association calls on Australian governments to ensure that:

- Agriculture is consulted as a key stakeholder in all market development processes related to a changing climate;
- Governments contribute significant additional funds to enable critical research into:
 - The effects of climate change on farming systems, and
 - The effects of Government policy responses to climate on Agriculture; and
- Agriculture's ability to contribute to solutions is promoted and developed;
- The impacts of climate change policy are borne equitably across all industries and all sectors of the community.

In terms of the utilities-scale renewable industries themselves, NSW Farmers does not promote or oppose any particular industry. We focus on upholding landholder rights and ensuring the continued prosperity of the agricultural sector. Energy companies need to engage in meaningful consultation with regional communities and compensate adequately for any disturbance their operations generate. NSW Farmers has developed a "Landholder Guide to Wind farms" to help farmers better navigate their rights when approached by developers. We also have direct access to the relevant Departmental representatives. If members are experiencing difficulties with a company they should let NSW Farmers know so we can assist.

NSW FARMERS' ASSOCIATION POLICY POSITION ON ENERGY AND ELECTRICITY

Electricity is already a critical input within the agricultural sectors. Currently, on-farm electricity use centres on large-scale irrigation pumps, cold storage chains, climate controlled environments, and on-farm processing of products, such as dairy. Food processors, such as meat and dairy processors, also use significant amounts of energy and electricity, putting downward pressure on farm-gate prices. The next major productivity step-change within the sector will be the increasing digitisation and automation of agricultural production, which requires electrification of farm processes. This will increase the sector's exposure to electricity prices.

NSW Farmers fully supports the goal of an affordable, reliable and sustainable electricity supply. The future of the farming sector relies upon it. To achieve this:

- Governments must increase incentives for the uptake of small-scale and mid-scale renewables in regional and rural areas that can reduce network costs (network costs the single largest component of electricity costs in regional NSW);
- Governments must stop the over-subsidisation of large-scale renewable projects at the expense of consumer and farm scale renewables (government subsidies for large-scale projects is nearly double that of small-scale projects undertaken by a households, businesses or farmers);
- Emission reductions policies and schemes must focus on least cost solutions and be applied equitably across all industries and consumers (would support an emissions intensity or the National Energy Guarantee that focuses on emissions reductions in the electricity sector); and
- Uncompetitive practices by electricity retailers must be stamped out through provisions that guarantee greater transparency and innovation within the electricity market (or failing that introduce pricing regulations governing the retail sector).

For more information please refer to the NSW Farmers Association discussion paper, the Future of Electricity in Regional NSW, at URL: <http://www.nswfarmers.org.au/UploadedFiles/NSWFA/Policy%20Industry/NSWFAFutureofElectricityInRegionalNSW.pdf>

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