

3 September 2018

Burdekin Shire Council  
145 Young Street  
AYR QLD 4807

Dear Councillors,

### **Annual Rates 2018/2019**

We would like to thank Mayor Lyn McLaughlin and CEO Terry Brennan for affording us their time on Tuesday for a full and frank discussion in relation to what we deem to be a critical issue to our membership over the next few years, in their ability to meet annual rates within current council timeframes. Also we appreciated council enlightening the group of its current hardship policy and process for application.

The export sugar industry is currently facing a downturn due to a surplus of sugar on the world market resulting in current depressed prices, the lowest it's been since 2008 and which is likely to continue for 2019, with growers unlikely to experience a price recovery until at least 2020 season. By way of example we have detailed the final sugar price achieved by Qld Sugar Limited in its "Harvest Pool" over the past 8 years.

<b>YEAR</b>	<b>NET \$A/TONNE IPS SUGAR</b>	<b>YEAR</b>	<b>NET \$A/TONNE IPS SUGAR</b>
2018 Indicative	\$340.47	2014	\$401.88
2017	\$418.91	2013	\$389.19
2016	\$515.90	2012	\$429.77
2015	\$381.54	2011	\$518.16

Of note is the fact that 5 of the last 7 years, the price achieved has just covered the costs of production. However, this season the price growers receive for their cane is unlikely to cover the costs of production.

Given sugar cane is the predominant industry within the Burdekin region, depressed prices are expected to have a ripple effect throughout our local communities negatively impacting from businesses that provides agri services right down to the small family entities. It goes without saying less money being generated by our members' means less money available to be spent locally.

Depressed sugar prices compounded with a reduced crop size of (estimated) less than 8 million tonnes will result in approximately \$60 million less flowing into this region from sugar cane.

We, the combined collectives of the Burdekin, are seeking the Burdekin Shire Councillors to acknowledge these difficult financial circumstances and to exercise their full discretion and consider the following concessions to all members of the community who are facing financial hardship in relation to annual rates:

- **Extension of payment due date**
- **Allowing repayment of 2018/2019 rates over remaining period of council's financial year**
- **No interest applicable to extension/repayment program**

Sugar Cane growers are not asking for a "handout"; but merely reasonable terms of payment without penalty, given difficult financial circumstances.


It was pleasing to see that our drought stricken agricultural colleagues in the Toowoomba region have recently been assisted by their local council in the form of a "rates freeze" for 6 months to stop interest accruing.

Councillors' favourable consideration to our request at next council meeting would be greatly appreciated.


Yours faithfully



Julie Artiach  
Manager  
**Pioneer Cane  
Growers  
Organisation  
Limited**



Wayne Smith  
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**CANEGROWERS  
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