



27 August 2025

Ms Stephanie Jolly
Executive General Manager, Consumer, Policy and Markets Division
Australian Energy Regulator
Via AERringfencing@aer.gov.au

Dear Ms Jolly,

Application by Essential Energy for a waiver to establish a Training Academy to provide contestable technical training

Thank you for the opportunity to provide a submission regarding Essential Energy's waiver application.

Cotton Australia is the peak body for Australia's cotton growers, representing up to 1,500 cotton mainly family farms Australia-wide. Cotton Australia works with growers and stakeholders to ensure the Australian cotton industry remains viable, is globally competitive, sustainable and valued by the community.

Agriculture is a billion-dollar contributor to the Australian economy. New South Wales cotton growers produce approximately 66% of the Australian cotton crop¹ which in an 'average season' can contribute as much as \$2 billion to the NSW economy², with an average of 200,000 (plus) hectares of cotton planted, operating across approximately 1,200 farms and employing around 9,570 people³.

NSW's cotton growers produce other winter and summer crops, significantly adding to production opportunities and output. Our members also include cotton lint processors or 33 'gins', 19 are located wholly within NSW and a further 5 share the Qld crop being in the northern border region.

¹ The Australian cotton crop in 2020-21 generated over \$3 billion per year in export earnings "ABS Value of Agricultural Commodities". <https://www.abs.gov.au/statistics/industry/agriculture/value-agricultural-commoditiesproduced-australia/latest-release#data-download>

² ABARES Dec 2024 Australian Crop Report forecast the next cotton crop (2024-25) nationally to be in the order of 4.2Mtonnes; NSW representing 2.2Mtonnes. They forecast plantings for 2024-25 to be 306 thousand hectares, producing 680 thousand tonnes of lint. The NSW 10-year cotton production average to 2023-24 is 519 thousand tonnes. <https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/australian-croreport/december-2024#new-south-wales>

The cotton lint from one 227kg bale can produce 215 pairs of denim jeans; or 250 single bed sheets; or 750 shirts; or 1,200 t-shirts; or 3,000 nappies; or 4,300 pairs of socks; or 680,000 cotton balls; or 2,100 pairs of boxer shorts. More at <https://cottonaustralia.com.au/uses-of-cotton>

³ These figures are taken from industry estimates that NSW produces 60% of the national cotton crop.

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As a key input for both growers and gins, access to safe, reliable and affordable energy is an imperative. For that reason, Cotton Australia has continued to be a member of Essential Energy's Customer Advisory Group.

Specific to NSW Regional Energy Zones, REZs, a number of Cotton Australia's ginning members plus growers reside within and adjacent to the South West (SW) and Central West Orana (CWO) REZs. We consider the REZs to be an opportunity, attracting new business and industries in co-located hubs, with the potential to also provide the surrounding REZ communities access to cheaper energy. However, the well-documented regional skills shortage⁴ is a key barrier.

We are therefore supportive of Essential Energy's proposed Training Academy based on the following:

- As proposed, the activities would be funded separately to its regulated revenue. This addresses an energy imperative of Cotton Australia regarding members having access to affordable energy and the Training Academy costs not being passed onto energy customers.
- The waiver sought is timebound, enabling the facilities to operate until 30 June 2034 and would be subject to review by the AER.
- It capitalises on Essential Energy's existing training facilities and staff, although self-reported they have a good track record of course completion rate.
- The training need is urgent and will continue for some years. This proposal has been designed as a modest contribution towards the current gap of skilled electricity workers while enabling existing training providers to also grow their offerings.
- Being locally based facilities, trainees are more likely to be 'local' and stay in the region once trained.

If you would like more information concerning the matters raised in this submission, please do not hesitate to contact me on [REDACTED] or via email: [REDACTED]

Yours sincerely

[REDACTED]
Policy Officer

⁴ For instance the McKell Institute's 2023 publication, "The Up-Skill Battle" P42 displays data that shows the diversity of regional NSW community needs, stating: "Communities across New South Wales will be challenged by an increasing number of job vacancies in a diverse suite of professions over the next five years."
<https://mckellinstitute.org.au/wp-content/uploads/2023/07/McKell-%E2%80%9494-Regional-Skills.pdf>

Also, the Business NSW 2024 Workforce Skills Survey, which found that "....skills shortages were particularly acute in regional areas, where employers face unique challenges in attracting and retaining skilled workers. Many of these challenges are enduring ones." P11
https://bczsaprodassetstorage.blob.core.windows.net/businessnswmedia/nswbcsharedmedia/businessnsw/medi a/pdf/bnsw _skills-report_v6.pdf

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