



The Chief Executive
Queensland Competition Authority
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Dear Sir,

Re: Review of Electricity Pricing and Tariff Structures

The Bundaberg Regional Irrigators Group (BRIG) represents member irrigators within the Bundaberg Regional Council Area.

BRIG members farm approximately 36,000ha and use an estimated 1100 irrigation pumps and associated distribution systems to irrigate a variety of crops. A significant percentage of these systems (circa 90%) are powered by electricity.

Our submission is based entirely on electricity as it relates to irrigation in the Bundaberg Regional Council locale.

Electricity is a significant cost to irrigators. This cost can be amplified depending on the actual farm location and source of irrigation water in terms of the amount of head that water is required to be pumped and the volume of water required by the particular crop.

We have only recently become aware of the QCA Review of Electricity Pricing and Tariff Structures and have only been able to have a rudimentary investigation of the Stage 2 report at this stage and regrettably we are (as yet) not au fait with many of the conclusions and preferred approaches detailed in the report.

In the past a number of our members have worked closely with Ergon Energy representatives and irrigation equipment providers to have their pumping system designed and matched to the most suitable, sustainable and efficient tariff available. Significant infrastructure and capital has been installed and is currently operating based on the characteristics of the specific tariff. The downside consequences of removing these tariffs may be immediate and severe.

From our understanding the report recommends amongst other things that:

- Tariffs 63 & 64 which are now obsolete and only available to existing customers to be dispensed with and for these customers to be moved to Tariff 22.
- Tariffs 62, 64, 65 and 66 be transferred to a single time of use tariff such as Tariff 20 or a special purpose farm tariff where this is appropriate.
- Affected customers be given notice of the change (say 6 months) during which time they can consider making alternative arrangements.

We note that the QCA acknowledges that *“for purely practical reasons some of the existing special tariffs would need to be retained in Ergon Energy’s distribution area in order to ensure that customers that are unable to access competitive market offers are not left without a supply option.”*

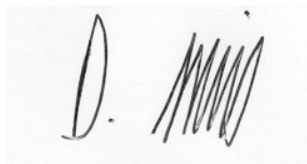
BRIG is concerned that the QCA and their consultants are unaware of the potential quantum of impact that may occur to our irrigators by the removal of the 'water winch tariff' and the 'weekend tariff' and that this has a real chance of leaving irrigators without a supply option.

BRIG suggests that a review of use patterns for all customers accessing Tariffs 62, 63, 64, 65 & 66 in the Bundaberg Regional Council area be undertaken to determine the size of disbenefits and costs to our irrigators and the benefits to demand management and supply that would accrue to our area's electricity market.

BRIG further suggest that a period of two years notice of any changes to tariff structure be adopted in order to allow for rational and planned upgrade/replacement or adaption of existing irrigation plant.

We are prepared to assist where possible and would welcome the opportunity to discuss our concerns with the QCA and/or your representatives.

Please call should you require further information or clarification.

A handwritten signature in black ink, appearing to read 'D. Holliss', with a stylized, scribbled flourish to the right of the name.

Dale Holliss
Company Secretary