

**QFF MEMBERS**

Australian Prawn  
Farmers Association

CANEGROWERS

Cotton Australia

Growcom

Nursery & Garden  
Industry Queensland

Qld Chicken Growers  
Association

Qld Dairyfarmers'  
Organisation

ASSOCIATE  
MEMBERS

Queensland Chicken  
Meat Council

Flower Association of  
Queensland Inc.

Pork Queensland Inc.

Fitzroy Food & Fibre  
Association

Pioneer Valley Water  
Co-operative Limited

Central Downs  
Irrigators Limited

Burdekin River  
Irrigators Associa ion

Emerging Primary  
Industries Groups

- Biological Farmers  
of Australia
- Queensland  
Aquaculture  
Industries  
Federation

17<sup>th</sup> November 2009

Mr John Hall  
Chief Executive Officer  
Queensland Competition Authority  
GPO Box 2257  
BRISBANE QLD 4001

Dear Mr Hall

**Re: QFF Submission on the Review of Electricity Pricing and Tariff  
Structures Stage 2**

The Queensland Farmers' Federation is the peak rural body representing intensive agriculture, which contributes around half of the State's \$13 billion in agricultural production. Electricity is a major input cost item for our members which includes CANEGROWERS, Growcom (Queensland Fruit & Vegetable Growers), Qld Dairyfarmers' Organisation, Cotton Australia, Nursery & Garden Industries Queensland, Qld Chicken Growers Association and Australian Prawn Farmers Association as well as many of the regional irrigator groups.

QFF is very concerned at the limited time made available for the review of tariff structures which proposes the removal of 4 out of the 5 farm and irrigation tariffs.

We have in no way had sufficient time to consult with our key industries about the implications of this proposal. A one tariff structure could have major cost implications for farming businesses as well as impeding the implementation of significant water use efficiency measures which look toward reducing water and energy use.

QFF refers you to the submission by CANEGROWERS which highlights a number of the issues that may be faced by other intensive agriculture industries.

In addition, QFF would raise the following issues of concern:

1. The proposal removes the choice that farmers have to select the tariff that best suits their needs. This will particularly affect farmers that are outside south east Queensland and thus unable to take advantage of electricity competition.
2. Growers that have geared their systems to take advantage of off peak tariffs will have to make significant capital investments to change their farming systems. This will also discourage off peak use of water which could be yielding significant savings in water use. These types of water use efficiency measures have been actively encourage by Governments for many years.
3. Care needs to be taken regarding changes proposed to remove any subsidies between high and low usage customers. It is important that measures to help address adjustment to this proposal are adequately examined and negotiated.

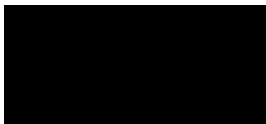
4. The impact of this proposal on growers who are billed for each meter and possibly face different tariffs on each should be addressed. There should be an opportunity to put in place measures to make adjustments to meters on an individual customer basis and pass on the costs efficiencies delivered through the rationalisation brought about by this approach.
5. The impact of these changes on water providers who will pass the added costs directly to customers needs to be examined prior to any decision on implementation.

These tariff reforms are proposed for implementation without sufficient planning to address difficulties farmers will face in implementing the proposals. This approach will exacerbate implementation of electricity reforms which as we have highlighted in previous submissions are likely to maintain upward pressure on prices due to the inefficiencies of past poor decision making and government imposed costs.

It is expected that if these proposals are implemented they will contribute to significant electricity price increases for the intensive farming sector which will have serious implications for the viability of irrigation farming in many parts of the state.

If you would like further information regarding the issues we have raised please feel free to contact our office.

Yours sincerely



Dan Galligan  
Chief Executive Officer