KCGO
KALAMIA CANE GROWERS ORGANISATION LTD ACN 092 708 337

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13th May 2020

Professor Flavio Menezes
Chair
Queensland Competition Authority
GPO Box 2257
Brisbane Qld 4001

Online submission: http://www.qca.org.au/Submissions/Electricity

Dear Professor Menezes

Re: Draft Determination – Regulated Retail Electricity Prices for 2020-21

Kalamia Cane Growers Organisation Ltd (KCGOL) is appreciative of the opportunity to provide commentary in relation to Queensland Competition Authority's Draft Determination as well as issues our organisation considers relevant that directly impact our members when determining retail electricity prices for 2020-21 in regional Queensland.

By way of background Kalamia Cane Growers Organisation Ltd is a not for profit, member focused service association. KCGOL represents approximately 130 sugar cane growing entities in the Burdekin region. At present, these growers supply approximately 1.60 million tonnes of cane annually to Wilmar's four sugar mills. The principal objective of KCGOL is to improve and sustain the profitability and viability of its sugar cane growing members, the sugar cane industry and the Burdekin region.

The Burdekin region is the largest sugar producing area in Australia with sugar cane production covering an area of some 80,000 hectares, representing 25% of the country's annual sugar production. Availability to cost effective electricity for irrigation from an extensive water supply network system is critical to successful farming operations in this region.

KCGOL is supportive of provision of lower network costs and is pleased that QCA's draft determination for 2020-2021 regulated retail electricty prices sees a further reduction for regional households and small/large businesses.

However of concern is the continued reluctance to apply energy cost reductions to transitional and obsolete tariffs, further disadvantaging rural customers and members of our organisation. KCGOL strongly recommends to QCA that these transitional tariffs also receive the benefit of a price reduction in the current price path.

As stated in our previous submission in response to QCA's Interim Consultation Paper, KCGO has no objection to introduction of primary default tariffs if consumer makes no nomination at account establishment. Application of tariff 20 for small business would appear relevant on the proviso that small business customers can amend to a more suitable tariff without any form of restriction or penalty imposed.

KCGO is of the strong belief that prior to expiration of transitional tariffs in July 2021, alternate suitable tariffs must be developed that take into account the specific requirements for agriculture and in our members case, cost effective irrigation tariffs. Upon final determination by Australian Energy Regulators into Energy Queensland's Tariff Structure Statement we request Queensland Government prioritise the development of a suite of tariffs specifically to cater for agriculture irrigation prior to the conclusion of 2020 in order to allow our members sufficient time to determine what will be the best for their farming business.

There remains clear evidence in the Burdekin Region that the current high cost of grid supplied energy is resulting in our members/growers seeking alternate sources of energy creation with solar installation for irrigation pumps becoming more apparent as a viable alternative.

Your consideration of points that have been raised in our submission would be greatly appreciated.

Yours faithfully

L Elphinstone

Les Elphinstone
Manager