

From: Sue Allan [REDACTED]
Sent: Tuesday, 25 February 2014 10:43 AM
To: General Electricity Address
Subject: Draft determination on electricity prices

QCA Draft Determination Electricity retail:

After attending the Bundaberg meeting on 7th February I submit this for your consideration.

The proposed increases in electricity prices for irrigation tariffs (15-16.3%) are a major financial burden for Horticultural producers.

Primary producers are in the unenviable position of being price takers not price makers.

The price return of our product does not reflect the cost of production as any grower will tell you, with returns stagnating in the past 20 years.

We realise your business needs to set prices to reflect the cost of providing the services on which we rely to produce our product.

We also appreciate the subsidy given by Government to ensure tariff prices are the same state wide.

However there are things which have been identified that are not so much cost reflective as a management issue.

- The rebate given through the solar scheme is now worn by all customers and is proving to be a very bad decision.
- Perhaps the rebate should only be reflected in Tariff 11 not on Irrigation tariffs?
- The introduction of a system where irrigators could feed back to the grid may be another initiative.

Irrigators who must use electricity to run pumps are not able to pick and choose times to irrigate.

Crops need water on schedule and every crop is different.

Refrigeration of product which is temperature sensitive and perishable is also not negotiable and critical to our business.

One new tariff would not suit all growers irrigation schedules and circumstances for product refrigeration.

Our business depends on supply of electricity for its viability and competitiveness therefore the cost increase is not something we can mitigate against.

- I propose a rebate based on irrigation/refrigeration electricity consumption (as is the case with the "off road" diesel fuel rebate claimed through the BAS) to provide cost relief for all producers regardless of the time or the day they use electricity.

The irrigation tariff we are now using has a component for cheaper rate from 9pm to 7am which is a help, but night time is not really when the majority of crops are watered.

Realistically farmers must check irrigation when it is on and to be up all night doing this is not realistic.

As production horticulture is one of Australia's largest agricultural sectors and Agriculture is one of the pillars of the Australian economy consideration needs to be given to how increases can be somehow offset so producers are not worse off.

The Agricultural community is traditionally fragmented and therefore the voices are easily dismissed but the issues are the same across the industry.

- We are price takers not price makers
- Cost of production increases are worn by us without any way of passing the rises on.
- Natural disasters deplete our financial reserves and increase our debt
- We are competing on a global stage with imported product which is sourced from countries with lower production costs and lower food safety standards.
- Our Australian industry needs to be supported or it will be lost to overseas interests and our food security will be fragile.
- The Global food industry is not immune to natural and economic factors affecting supply and if Australian farmers are not supported to retain their ability to produce Australia will be vulnerable to food shortages.

Thank you,

Sue & Chris Allan


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