

Giru Benefitted Area Irrigation Committee  
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Queensland Competition Authority  
GPO Box 2257  
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Submission on the Regulated Retail Electricity Prices in Regional Queensland for 2025–26 Draft Determination: Impact on Burdekin Sugarcane Irrigators and the Case for Price Reduction

Dear QCA Board and Review Team,

Thank you for the opportunity to provide feedback on the Draft Determination for Regulated Retail Electricity Prices in Regional Queensland for 2025–26. As a stakeholder representing GBA irrigators and as a sugarcane farmer in the Burdekin region, I wish to highlight the significant challenges faced by irrigators in the Burdekin sugarcane industry due to rising electricity costs and urge the QCA to reconsider any proposed price increases. Instead, I strongly advocate for a reduction in electricity prices to ensure the sustainability and competitiveness of this vital agricultural sector.

### **The Importance of the Burdekin Sugarcane Industry**

The Burdekin region is one of Queensland's most productive agricultural zones, contributing significantly to the state's \$2 billion sugarcane industry. Irrigation is the backbone of this region's success, enabling consistent crop yields despite variable rainfall. Sugarcane irrigators rely heavily on electricity to power pumps for water extraction and distribution, making energy costs a critical factor in farm profitability. Any increase in regulated electricity prices directly threatens the viability of these operations, which support thousands of jobs and underpin the economic stability of regional communities.

### **Impact of Rising Electricity Costs on Irrigators**

Electricity is one of the largest operational expenses for Burdekin irrigators. Over recent years, successive price increases have placed immense financial pressure on growers. For example, the 2023–24 Final Determination saw a 28.7% increase in the annual bill for a typical residential customer on Tariff 11, with similar pressures felt by agricultural tariffs. While the 2024–25 determination moderated some impacts for small businesses, irrigators continue to face costs that erode already slim profit margins.

For sugarcane irrigators, electricity expenses can account for 20–30% of total production costs, depending on water requirements and pumping intensity. With global sugar prices subject to volatility and competition from lower-cost producers like Brazil, any further increase in electricity prices risks making Burdekin sugarcane

uncompetitive. This could lead to reduced production, farm closures, and flow-on effects to local mills, transport, and ancillary businesses.

The Draft Determination for 2025–26, if it proposes price increases (as prior drafts have signaled through rising network or wholesale energy costs), would exacerbate these challenges. Irrigators cannot easily pass on higher input costs to buyers in a market-driven commodity chain, nor can they significantly reduce energy use without compromising crop yields. This leaves them trapped between rising costs and stagnant revenues—a situation that threatens the long-term sustainability of the industry.

### **The Case for Reducing Electricity Prices**

Rather than increasing prices, I urge the QCA to prioritize a reduction in regulated electricity prices for irrigators in 2025–26. This is not only feasible but essential for the following reasons:

1. **Economic Sustainability:** Lower electricity costs would provide immediate relief to irrigators, enabling them to maintain production levels and invest in farm improvements. This would preserve jobs and support the broader regional economy, aligning with the Queensland Government’s uniform tariff policy goals of equitable access to affordable electricity.
2. **Energy Cost Trends:** While wholesale energy costs have driven past price increases, recent data suggests a softening in some energy markets. The 2024–25 determination noted a decrease in energy costs contributing to a lower solar feed-in tariff. If this trend continues, there is scope to pass these savings onto consumers, particularly high-energy users like irrigators, rather than maintaining or increasing prices.
3. **Agricultural Competitiveness:** CANEGROWERS and other industry bodies have long called for agricultural tariffs to be capped at affordable levels (e.g., 16c/kWh as proposed in CANEGROWERS’ 2024 State Election plan). A reduction in prices would bring Queensland irrigators closer to parity with competitors in other regions and countries, enhancing our ability to compete globally.
4. **Support for Transition:** Many Burdekin irrigators are exploring energy-efficient technologies, such as solar-powered pumps or variable speed drives, to reduce reliance on grid electricity. However, the upfront costs of these investments are prohibitive without short-term relief. Lower prices in 2025–26 would provide a bridge, allowing growers to transition to more sustainable practices without immediate financial distress.
5. **Precedent and Policy Alignment:** The introduction of Tariff 34 (T34) in 2024 as a lower-cost, controlled-load option for irrigators demonstrates that the QCA can respond to industry needs with innovative pricing solutions. Building on this, a broader reduction across irrigation tariffs would further alleviate pressure and reflect the Queensland Government’s commitment to supporting regional agriculture.

### **Specific Recommendations**

To address these concerns, I propose the following for the 2025–26 Final Determination:

- Freeze or Reduce Tariffs for Irrigators: Avoid any increase in tariffs commonly used by sugarcane irrigators and, where possible, reduce rates to reflect lower energy cost projections or government subsidies.
- Expand Affordable Options: Enhance access to cost-effective tariffs ensuring they are viable for large-scale irrigators without excessive service interruptions.
- Targeted Rebates: Work with the Queensland Government to introduce specific rebates or concessions for agricultural users to offset network costs, which have been a key driver of price rises.
- Transparent Cost Breakdown: Provide a detailed explanation in the Final Determination of how wholesale, network, and retail costs are balanced, with a focus on minimizing impacts on high-energy users like irrigators.

#### Conclusion

The Burdekin sugarcane industry is at a tipping point. Rising electricity costs threaten to undermine decades of productivity and resilience in one of Queensland's most important agricultural regions. The QCA has a unique opportunity with the 2025–26 determination to support irrigators by rejecting price increases and delivering meaningful reductions. This would not only safeguard the livelihoods of growers but also ensure the continued contribution of the sugarcane industry to Queensland's economy and food security.

I welcome the chance to discuss this submission further and would be pleased to participate in any stakeholder consultations or information sessions scheduled for April 2025. Thank you for considering the urgent needs of Burdekin irrigators in your final decision.

Yours sincerely,  
Robert Stockham  
GBA Irrigators Committee Chair