



QUEENSLAND
FARMERS'
FEDERATION

QCA Draft Determination: Regulated retail electricity prices for 2024-25

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The united voice of
Queensland agriculture

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This submission is provided to:

Queensland Competition Authority
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Submitted via email www.qca.org.au/submissions

Our members

- Canegrowers
- Cotton Australia
- Queensland Fruit & Vegetable Growers
- Nursery & Garden Industry Queensland
- eastAUSmilk
- Australian Cane Farmers Association
- Queensland United Egg Producers
- Turf Queensland
- Queensland Chicken Meat Council
- Pork Queensland
- Bundaberg Regional Irrigators Group
- Burdekin River Irrigation Area
- Central Downs Irrigators Ltd
- Fairburn Irrigation Network
- Mallowa Irrigation
- Pioneer Valley Water Co-operative Ltd
- Theodore Water Pty Ltd
- Eton Irrigation
- Queensland Oyster Growers Association
- Lockyer Water Users Forum

About the Queensland Farmers' Federation



The Queensland Farmers' Federation (QFF) is the united voice of agriculture in Queensland.

We are a member-based organisation representing the interests of peak agriculture industry organisations, both state and national. Through our members QFF represents more than 13,000 primary producers across the cotton, sugarcane, horticulture, dairy, nursery and garden, poultry, eggs, pork, and intensive animal industries.

We unite the sector to engage in a broad range of economic, social, environmental, and regional issues through advocacy, policy development, and project activity. We work with the government of the day on behalf of industry, farmers, and the community to provide powerful representation and contribution to the policy direction, sustainability, and future growth of Queensland's agriculture sector.

Our Council of member representatives and policy committees set the strategic priorities for policy development and advocacy, while our Executive Board ensures our corporate governance.

QFF draws on the expertise and industry knowledge of our members and through our commitment to collaboration and considered policy development, we lead Queensland's agriculture sector towards a strong future, ensuring our members are ahead of the game and have a voice at the table on the issues that matter to their members.

Submission

QFF welcomes the opportunity to provide comment on the QCA Draft determination, Regulated retail electricity prices in regional Queensland for 2024–25.

We provide this submission without prejudice to any additional submission from our members or individual farmers.

Overview

QFF emphasises the importance of affordable electricity and balanced energy loads for the agricultural industry. These are dependent on flexible, competitive, and affordable tariffs that cater to the industry's seasonal requirements. QFF has persistently communicated to the QCA that the continuation of an outdated pricing framework will not only continue to lead to increased electricity prices but also to an unsustainable use of energy load. This is because businesses are compelled to resort to alternative energy sources to maintain their viability.

Moreover, QFF acknowledges the operational scope of the QCA as in accordance with the Ministerial Delegation. However, over the past few years, questions have been asked of stakeholders who have proactively provided solutions to the issues raised. Without a meaningful consultation process, these issues will persist. Therefore, QFF urges the QCA to seek guidance from the Queensland government to broaden the scope of review and engage in further consultations with stakeholders.

Challenges

1. Regional Queensland has experienced a steady increase in energy costs, placing a burden on households and businesses. Understanding the factors contributing to this rise is crucial for effective solutions.
2. The reliance on traditional fossil fuels poses environmental and economic risks. Transitioning to cleaner, renewable energy sources and an appropriate energy source mix in an appropriate manner, is imperative for long-term sustainability.
3. The complexity of energy tariff structures can lead to confusion among consumers. Simplifying these structures can enhance transparency and empower consumers to make informed choices.

Proposed strategies

1. Encourage increased investment in renewable energy projects, such as solar and wind along with distributed small scale battery opportunities, to diversify the energy mix and reduce dependence on fossil fuels. Government incentives can stimulate private sector involvement.
2. Deploying smart grid technologies can enhance grid efficiency, reduce transmission losses, and provide consumers with real-time information to optimise their energy consumption, ultimately leading to cost savings.
3. Streamline energy tariff structures to make them more transparent and user-friendly. This can empower consumers to choose plans that align with their needs and encourage competition among energy providers.
4. Develop comprehensive programs to educate consumers about energy efficiency, conservation, and the benefits of renewable energy. Empowered consumers can play an active role in demand-side management.
5. Foster collaboration between government bodies and industry stakeholders to implement policies that ensure fair and competitive pricing. Regular reviews and adjustments can address evolving market dynamics.

QFF response to the Draft Determination

As such, QFF would like to reiterate our [response](#) to the Interim Consultation Paper released in December and provide the following response to the Draft Determination:

1. **Default retail tariff arrangements** – QFF is in agreement with the QCA in opposing the removal of the default retail tariff arrangements.¹ We believe that the default retail tariff arrangements must not be removed until tariff comparisons can be clearly presented to customers. The removal could be considered if energy providers show commitment to understanding customer needs and implementing suitable tariffs in a transparent process. Until then, QFF cannot support the removal of a default tariff arrangement.
2. **Manual meter read charge** – If a customer disables their digital meter's remote communication, they will incur a manual meter reading fee, standing at \$43.05 in 2024-25.² QFF acknowledges this fee was based on the AER-approved special meter read fee for Ergon Energy, but we emphasise the need for a legitimate remote meter reading option and easily accessible dispute resolution.
3. **Small customer metering service costs** – It should be clarified that QFF *in principle* supports the 100% roll-out and deployment of smart meters by 2030, aligning with the Queensland Energy and Jobs Plan. However, QFF's support is predominantly focused on supporting its

members' individual strategies for digital meter installations in their respective regions. QFF believes it is crucial for the QCA to ensure that installation costs are affordable and do not prevent consumers from accessing tariffs better suited to their businesses.

Additional issues

In addition to the above, QFF would like to continue to address several issues that affect electricity pricing in regional Queensland. We are confident that these issues fall within the purview of the review process for determining the regulated retail electricity prices in regional Queensland for the 2024-25 period. The key issues among these being:

1. **Affordable and equitable tariff pricing** – Affordable and equitable tariffs, previously identified as 16 cents per kilowatt hour (ceiling price), are crucial for the viability of agricultural businesses in regional Queensland. These tariffs must be based on network and retail costs not exceeding 8 cents per kilowatt each. As per QFF's previous submissions, competitive pricing would provide stability and growth for agricultural businesses currently hindered by the unstable electricity network framework.
2. **Mandatory rollout of ADMs in regional Queensland** – While QFF is generally supportive of the continued rollout of smart meters in Queensland, QFF remains concerned about the potential impact of mandatory upgrades from type 6 meters to smart meters. This will lead to Large customers currently on tariff 43 being reassigned to another Large customer tariff, most likely tariff 44. Such a transition could potentially increase total electricity costs by 20-25%, leading to an approximate annual cost increase of around \$10,000 for some agricultural customers.
3. **Access to more equitable tariffs for Large customers** – Related to the above, QFF will continue advocating to the QCA for Large customers to be granted access to tariff 22c, the 'solar soaker' tariff, or to reinstate access for food and fibre producers to the now-closed 'consumption-based' tariff, tariff 43. QFF believes that this would result in a more equitable tariff system that accommodates the unique energy consumption patterns of the agricultural sector.
4. **CSO component funding** – QFF insists on CSO payments to Ergon's network, not retail, to foster competition in the retail electricity market. Despite not being in the current Draft Determination scope, QFF urges the inclusion of these factors in the pricing framework for affordable, sustainable electricity in regional Queensland.
5. **Removal of the solar bonus scheme from tariff charges** – The solar bonus scheme liability must be permanently removed from all regulated retail tariffs in Queensland. Instead, the Queensland Government should commit to funding the Scheme through its consolidated revenue.

Addressing the energy pricing challenges in Queensland calls for a comprehensive approach. This involves investing in renewable energy, ensuring a sustainable mix of energy sources, fostering technological innovation, implementing policy reforms, and empowering consumers. By adopting these strategies, Queensland can pave the way for a more sustainable and affordable energy future, benefiting its residents and the wider economy.

QFF recognises that numerous points made in this Draft determination submission are not part of the current delegation. However, for agricultural businesses in Queensland to remain viable, these issues cannot be siloed. As previously stated, addressing these challenges requires a comprehensive approach involving the Queensland government, regulators, and utility providers.

If you have any queries about this submission, please do not hesitate to contact Mr Samuel Laffer at samuel@qff.org.au.



Yours sincerely

A handwritten signature in cursive script, appearing to read 'Jo Sheppard', is positioned below the 'Yours sincerely' text.

Jo Sheppard
Chief Executive Officer



This submission is provided by the Queensland Farmers' Federation

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