Extreme electricity price hikes must be stopped.

CANEGROWERS

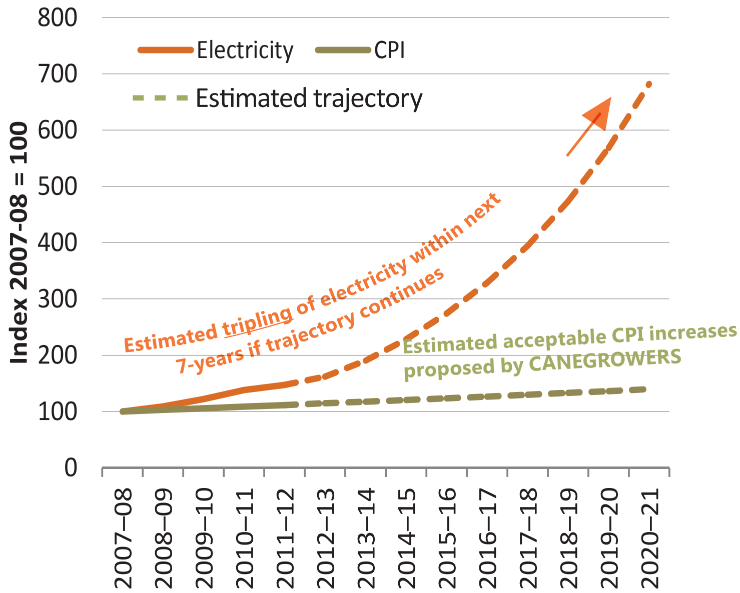
Huge year-on-year electricity price hikes will cripple Queensland's irrigated farmers

Farmers are looking down the barrel of a 20% increase in their electricity bill this year and compounding increases, every year, for the next 7-years. Initial estimates suggest these ongoing yearly hikes could be similar to the 20% being proposed for this year. That would equate to shocking losses of over $85,000 for an average cane farm over that period. That's money straight off growers' bottom line.

Escalation in government fees and charges, especially water and electricity is:

- Undermining the industry's international competitiveness.
- Reducing viability of irrigated farms.
- Putting the government's election promise of doubling the value of agricultural production on a path to failure.

The crippling price hikes being proposed are unfair and sending our farmers broke.



As the owner of the electricity supply and distribution system, the government has the power to act. Here is what government CAN DO:

1 Introduce retail competition into regional areas

Ergon is the only seller of electricity in the bush. Opening the door to more retailers makes prices more competitive – as seen when the monopoly held by Energex in city areas was cast aside and users could choose cheaper alternative electricity plans.

2 Introduce a worthwhile off-peak tariff

Irrigating at night delivers both environmental benefits and uses electricity when there is plenty of spare capacity in the system. Bringing in a worthwile off-peak rate for irrigation would be a smart fix.

3 Limit electricity price increases to CPI

Consumer Price Index (CPI) is currently 2.2%, but the proposed increases to electricity are 20% - *with similar increases expected every year for the next seven years*. This would be an enormous additional cost on what is already a major cost to farmers.