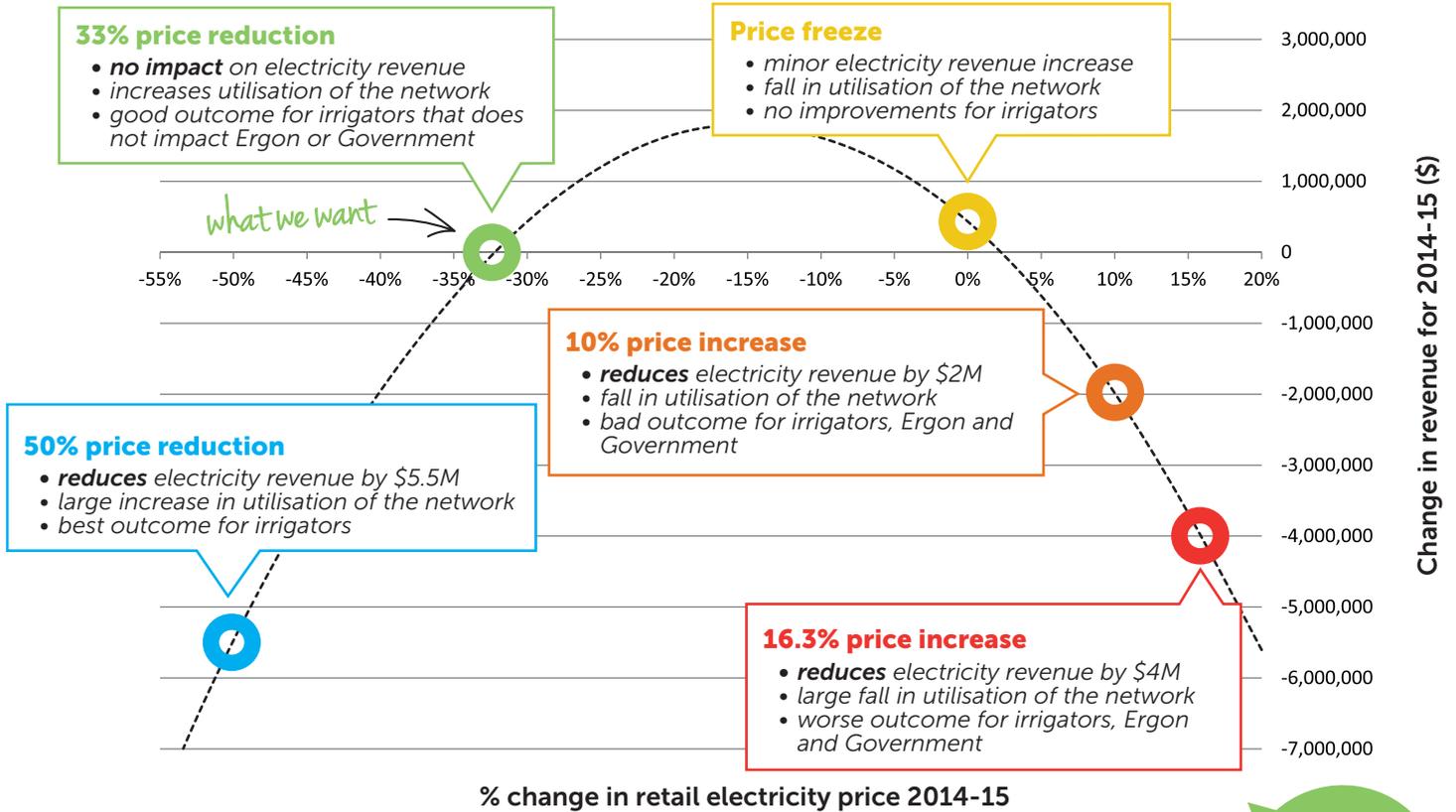


Solutions for the 2014/15 electricity prices



CANEGROWERS calls on the Queensland Government to lower retail electricity tariffs for irrigation use (principally T62, T65 & T66) by 33% in 2014-15, exclusive of the carbon tax.

► **A 33% price reduction in 2014-15 is a revenue neutral solution for irrigation tariffs**



► **Why a 33% reduction?**

Queensland Government:

- A revenue neutral solution for irrigation tariffs (T62, T65 & T66)
- **No** Government subsidy requirement
- Will significantly increase utilisation of Ergon's network – an issue identified by the "Costello" Commission of Audit
- Will demonstrate real action to achieve the objectives in the Queensland Agriculture Strategy

Ergon:

- Will reverse the fall in utilisation across the Ergon network
- Will increase off-peak consumption from irrigation in key regional areas
- Will end the negative retail price spiral

Irrigators:

- Will provide much needed immediate price relief
- Lower prices will allow sugarcane growers to maximise the volume and value of cane production
- A large crop will result in security of cane supply for mills – guaranteeing thousands of "at risk" jobs in regional Queensland, while creating over one thousand more in 2014-15.

The underlying electricity pricing framework is flawed. It does not take into account the impact of high prices on users or the wider Queensland economy.

A five-step approach

Retail prices 2014/15	Network tariff reform	AER Regulatory Reset 2015-20	Energy market reform	Energy efficiency and demand management
------------------------------	------------------------------	-------------------------------------	-----------------------------	--

While this factsheet focusses on retail prices for 2014-15, CANEGROWERS is actively involved in all areas of the electricity pricing reform. The five key components of our strategy to get the best result for irrigators are:

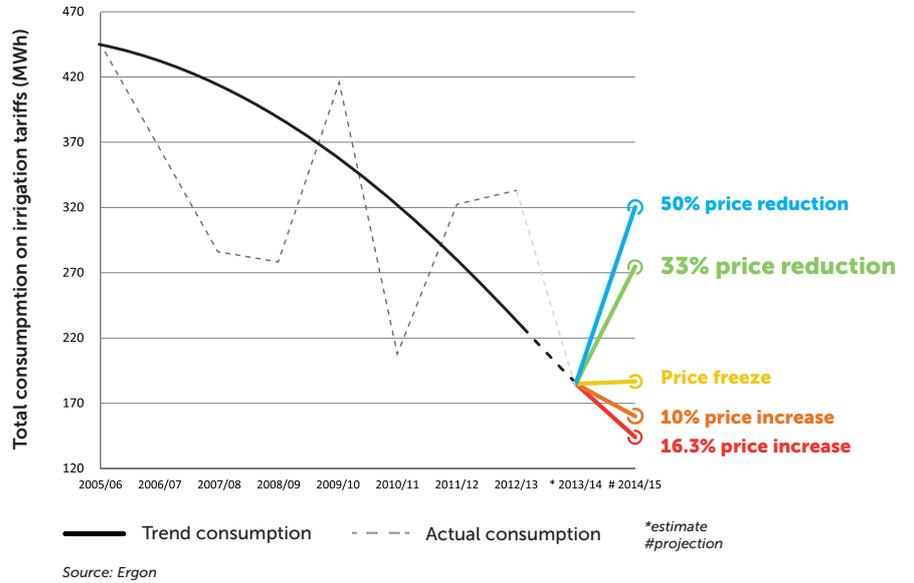
Factsheets for forthcoming issues will be provided by CANEGROWERS as they are announced.

**Retail Prices
2014-15**

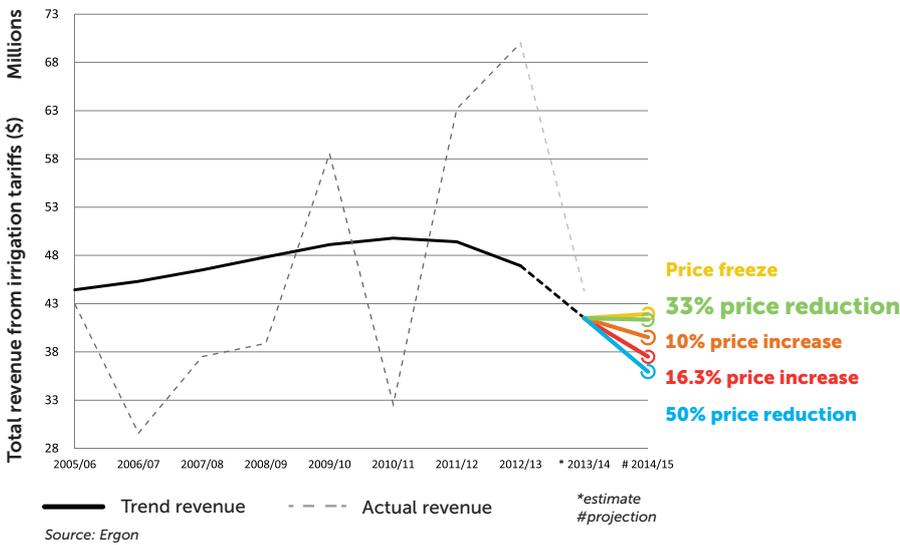
CANEGROWERS analysis of Ergon data shows a 33% reduction in price will increase consumption and maintain revenue from electricity use to the Queensland Government via Ergon.

**Impact of price change
on electricity used for
irrigation**

A 33% price reduction will increase electricity consumption...



Source: Ergon



Source: Ergon

**Impact of price change
on revenue to Ergon**

...and maintain electricity revenue to Ergon and the Queensland Government.
No subsidy is required to deliver the much-needed price relief.

Big Industry – Big Impact

- World's third largest exporter of sugar (80% of Australian sugar is exported).
- \$2 billion value to the Queensland economy (to the annual Gross State Product).
- Second largest agricultural commodity in Queensland.
- 15,600 jobs directly, and 70,200 indirectly, accounting for 15% of employees in coastal Queensland.
- \$7 billion in land and \$4 billion in infrastructure assets controlled by the industry.



For more information:

Paul Schembri
CANEGROWERS Chairman
M: 0417 604 196
E: paul_schembri@canegrowers.com.au