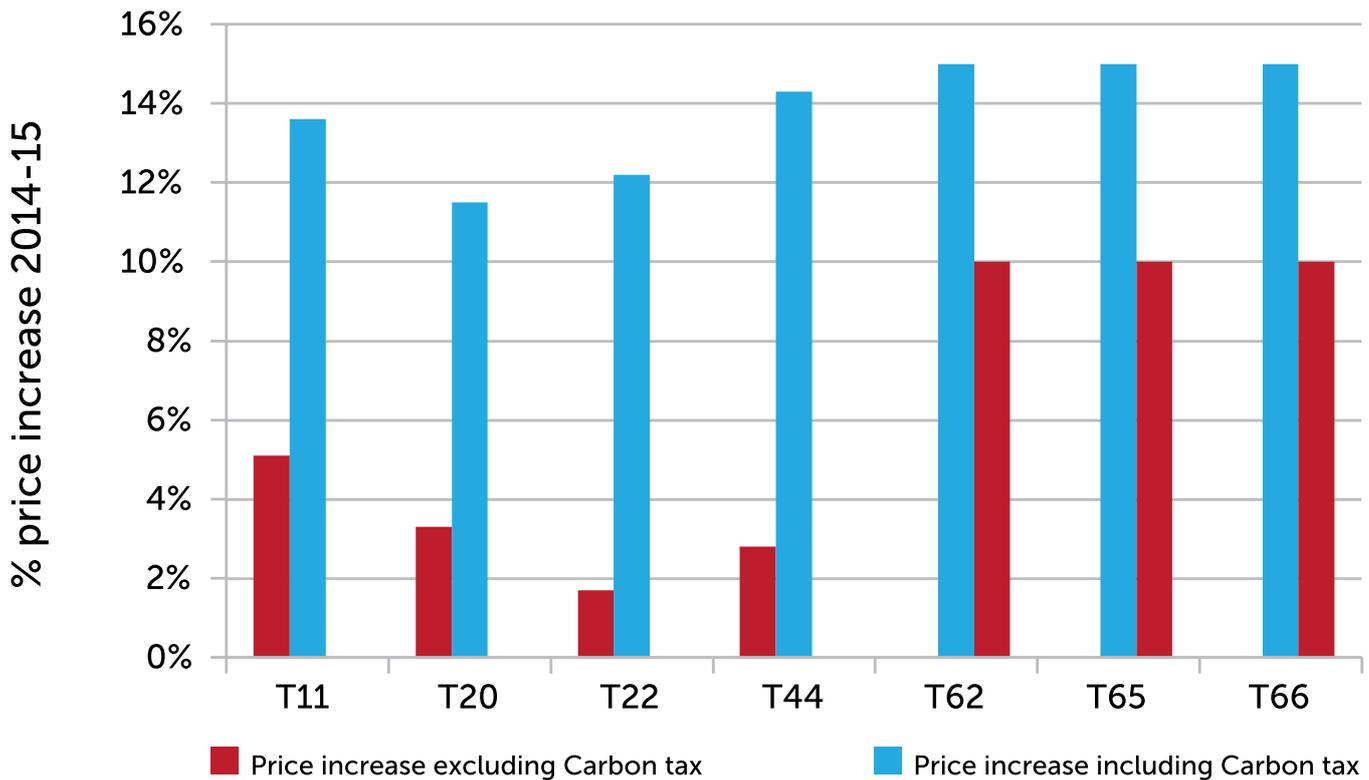


# The carbon tax repeal must be passed on to irrigators—in full!

The repeal of the carbon tax will result in significantly lower electricity prices for all consumers. But the Queensland Competition Authority (QCA) has implemented a price floor for irrigation tariffs. This price floor is stopping the full benefit of the carbon tax repeal flowing to irrigators



► **Irrigators not receiving full benefit of carbon tax repeal**



Source: QCA Final Determination 2014/15

► **Passing the full benefits of the carbon tax repeal to irrigators will have other benefits to:**

**Queensland Government:**

- 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 help remove cross subsidies between irrigators and other customer classes
- Will help reverse the fall in utilisation across the Ergon network
- Will help increase off-peak consumption from irrigation in key regional areas
- Will help end the adverse retail price spiral

**Irrigators:**

- Will receive much needed immediate price relief
- Lower prices will allow sugarcane growers to maximise the volume and value of crop 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.

**CANEGROWERS calls on the Queensland Government to pass the full carbon tax savings on to irrigators**

**A five-step approach**

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:

<b>Retail prices 2014/15</b>	<b>Network tariff reform</b>	<b>AER Regulatory Reset 2015-20</b>	<b>Energy market reform</b>	<b>Energy efficiency and demand management</b>
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Factsheets for forthcoming issues will be provided by CANEGROWERS as they are announced.

# Not passing on the carbon tax repeal will cost irrigators and regional Queensland dearly.

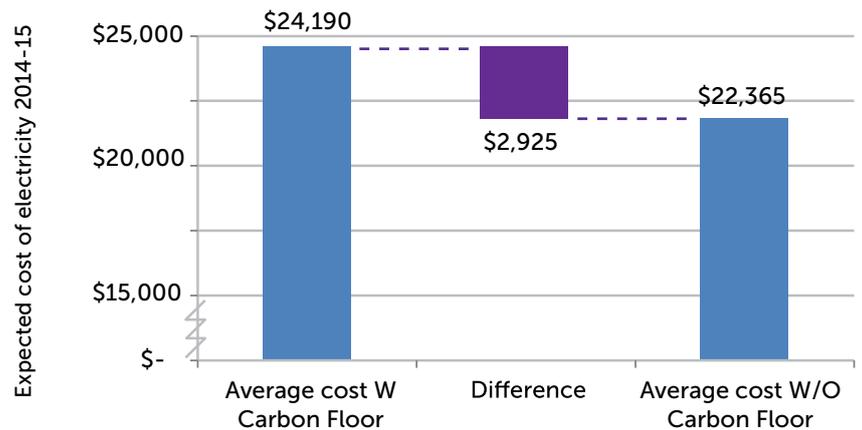
The price floor will not only further reduce the profitability of irrigated agriculture in QLD, it will remove income from regional Queensland communities.



**Retail Prices  
2014-15**

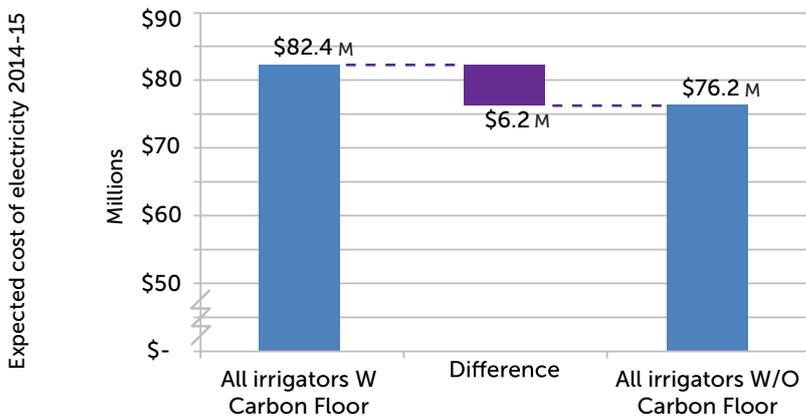
The price floor will add an extra \$3000 to the average irrigator's electricity bill

► **Estimated average cost of electricity per irrigator in 2014-15**



Source: CANEGROWERS

► **Estimated average cost of electricity for all Queensland irrigators in 2014-15**



Source: CANEGROWERS

The price floor will cost regional Queensland an extra \$6.2 million in higher electricity costs to irrigators

## 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:**

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