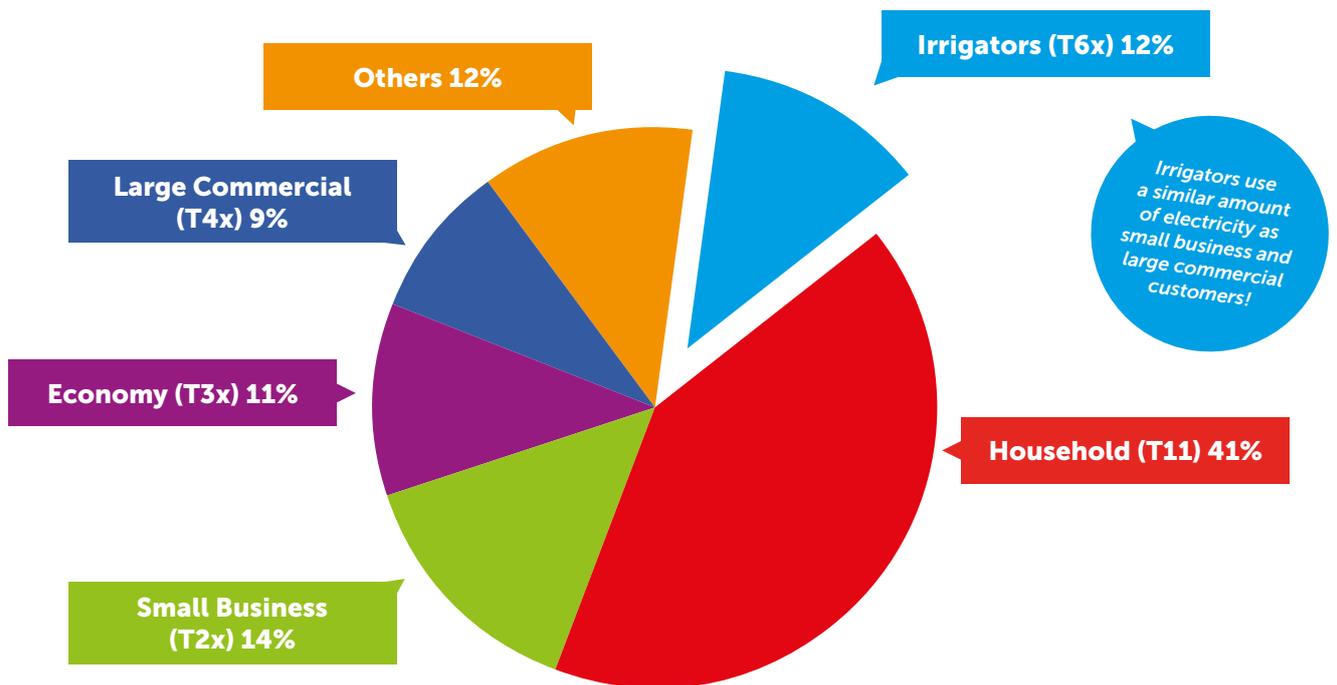


Irrigators need to be recognised as a separate customer class

CANEGROWERS calls on The Queensland Government and Ergon Energy to recognise irrigators as a separate group of network users. Irrigators are an important group of customers and must not be ignored in Ergon’s Network Tariff Review.



► **Irrigators represent a significant amount of energy consumption of Ergon feeders that supply irrigation**



► **Why group irrigators together?**

Queensland Government:

- Will demonstrate a commitment to irrigators as an important part of the 4-Pillar economy
- **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 remove cross subsidies between irrigators and other customer classes
- Will help reverse the fall in utilisation across the Ergon network
- Will increase off-peak consumption from irrigation in key regional areas
- Will 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.

The National Electricity Rules do NOT prohibit irrigators being grouped together as a separate customer class!

A five-step approach

While this factsheet focusses on network tariff reform, 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:

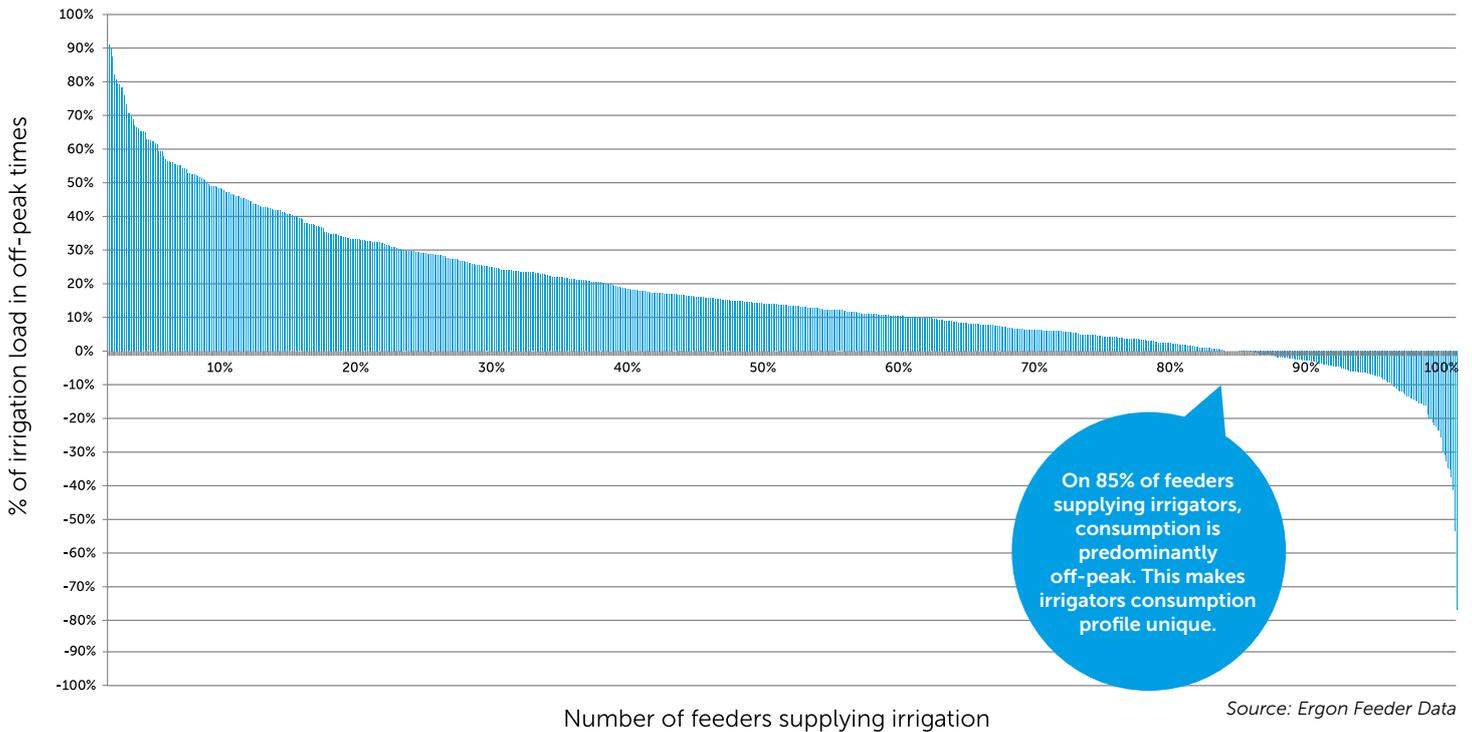
Retail prices 2014/15	Network tariff reform	AER Regulatory Reset 2015–20	Energy market reform	Energy efficiency and demand management
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Factsheets for forthcoming issues will be provided by CANEGROWERS as they are announced.

Network Tariff Reform

It is economically efficient to group irrigators (as an existing group of retail customers) together, as a separate network tariff class.

► **Nature and extent of usage**



► **Nature of the connection to the network**

- When irrigators connected to the network, they made a significant capital contribution to expanding the network in Regional Queensland
- The size and value of these investments, along with initial consumption guarantees, is unique to those of any other group of retail customers

► **Reliability and minimum service standards**

- In times following a natural disaster, additional costs to immediately restore electricity supply to irrigators is unnecessary and avoidable
- In most cases, irrigators are less financially impacted by increased frequency and duration of unplanned outages, compared to all other retail customer groups

► **Metering services**

- Irrigators are better placed than any other consumer group to maximise the benefits of advanced metering services
- Remotely read interval metering services have the potential to become an innovative farm management tool, in conjunction with the Smartcane Best Management Practice (BMP) program

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