



## Guarantee fair costs of production

Rising production costs are undermining farm business earnings and impact on the industry's international competitiveness. Tariffs and rates for electricity and water supplies and for transport are influenced by Queensland Government policy and can constrain growers.

### ELECTRICITY

#### Current situation

- Electricity costs for irrigators have risen 130% over the past nine years.
- Poorly structured tariffs are crippling the competitiveness of Queensland's irrigated agriculture.
- State owned energy giants Ergon and Energex have delivered record profits to the Queensland Government at the expense of growers and everyday Queenslanders.
- Ergon's suite of network tariffs does not reflect the low cost of supplying electricity to irrigators.
- Energy market reform is too slow, inflicting further cost pressures on growers.
- CANEGROWERS conducted an analysis in 2015 that proves electricity costs should be 33% lower.

#### ACTIONS

- Reduce electricity prices by writing down Ergon's regulated asset base by 50%.
- Introduce a suite of tariffs for food and fibre production.
- Establish an Agricultural Energy Council, involving all agricultural industry stakeholders in Queensland to advise State Cabinet.
- Allocate \$10m over three years to on-farm energy efficiency programs, such as alternative energy generation and storage, to tackle the energy crisis.
- Develop a feasibility study to look at the creation of local electricity distribution grids. ■

### WATER

#### Current situation

- The transition to local management has been underway for five years and needs to be resolved.
- Irrigation water costs are too high under SunWater management.

#### ACTIONS

- Fully fund and commit to finalise the switch to local management in the next term of parliament.
- Maintain the current price path, capped at \$2.00 + CPI, during transition. ■

