

QUESTION ON NOTICE

No. 456

asked on 6 June 2013

MR KRAUSE ASKED THE MINISTER FOR ENERGY AND WATER SUPPLY (MR MCARDLE)—

QUESTION:

How is the government assisting primary producers and irrigators in relation to electricity prices?

ANSWER:

Given the importance of the agricultural industry to this State and the government's commitment to grow agriculture as one of the four pillars of the Queensland economy, the government has moved to limit the increases in all transitional and obsolete tariffs, which generally supply farmers and irrigators in rural and regional Queensland, to 10 per cent for 2013–14. To achieve this, the government is amending the *Electricity Act 1994* to give me the power to set these tariffs. This amendment will only apply to the 2013–14 tariff year, from 1 July 2013 until 30 June 2014.

In addition to this much needed cap on transitional and obsolete tariffs, the government also welcomes the Queensland Competition Authority's decision to keep the transitional farming and irrigation tariffs for a further seven years. This will allow farmers and irrigators time to achieve some return on their investments made in equipment to optimise use of the current tariffs, and also allow them time to adapt their consumption to better suit the new cost-reflective tariffs.

The cost of capping these tariffs will be delivered through Community Service Obligation payments. For 2013-14, the Community Service Obligation payment to support both small and large electricity customers in regional Queensland will be approximately \$620 million.