

## QUESTION ON NOTICE

No. 307

asked on Wednesday, 21 March 2018

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**MR S ANDREW** ASKED THE MINISTER FOR NATURAL RESOURCES, MINES AND ENERGY (HON DR A LYNHAM)—

QUESTION:

With reference to canefarmers and irrigators in the Mirani Electorate, struggling with electricity tariff rises of over 130 per cent—

Will the Minister advise (a) of any steps the Queensland Government is taking to reduce electricity prices for these growers and (b) what pressure the Queensland Government is applying to alleviate these costs?

ANSWER:

The Queensland Government is committed to ensuring farmers and irrigators in regional Queensland are able to access stable and affordable electricity prices.

Since 2011, Queensland governments have been shifting energy customers to cost reflective tariffs.

Transitional tariffs are currently at below cost and, between 2012 and 2015, a range of cost reflective tariffs for small and large business were introduced, making 12 tariffs transitioned or obsolete, and reviewing three others.

In regional Queensland, farmers and irrigators are supplied under transitional and obsolete tariffs, or standard business tariffs. In its Draft Determination for 2018–19, the Queensland Competition Authority has proposed:

- to freeze transitional and obsolete tariffs at their 2017–18 levels;
- to reduce standard small business tariffs by 4.3 per cent; and
- to reduce standard large business tariffs by between 2.2 per cent and 3.2 per cent.

If these draft outcomes eventuate, farming and irrigation tariffs will have increased by up to 4.4 per cent per year (on average) over the last four years.

This government is also supporting agricultural customers through its \$2 billion Affordable Energy Plan. Under the plan, the government has expanded the existing Energy Saver Plus Program to include an additional 200 energy audits to help agricultural businesses identify opportunities to use electricity more efficiently. Through the program, the government will also offer co-contribution grants of up to \$20,000 to assist businesses in implementing the recommendations from the audit.

More broadly, the Affordable Energy Plan contains a series of other initiatives to stabilise electricity prices for Queenslanders, including:

- Investing \$770 million to cover the cost of the Solar Bonus Scheme out to 2020 to reduce network charges for consumers; and
- Returning Swanbank E to service and directing Stanwell to alter its bidding strategies, which has placed downward pressure on wholesale prices.

The Queensland Government also subsidises the cost of supplying electricity to all regional Queensland electricity customers via the Community Service Obligation, which is budgeted at \$490.7 million in 2017–18. Importantly, farmers and irrigators on transitional tariffs receive the benefit of the CSO subsidy.