RURAL WEEKLY COLUMN

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**By Chairman, Kevin Borg**

The State Government is patting itself on the back for giving farmers and businesses an extra year to move to standard electricity tariffs.

However, this is just prolonging sugarcane growers’ anger since it has not been backed up with any announcement of a plan to reduce electricity prices for irrigators.

The Government missed a great opportunity in the recent budget to put the State on a more positive economic footing by assisting agricultural irrigators to achieve greater productivity and yield, and ultimately more export dollars for the State, by reducing power prices for irrigation.

Instead, the existing farming and irrigation tariffs (T62, 65 and 66), which were set to be switched off in 2020, will now continue until 30 June 2021. when potentially up to another 50 per cent price increase is still flagged for the new tariffs.

The Government’s statement once again used sleight of hand in proclaiming a fall in regional power prices which, of course, excludes all irrigators. It is also a nonsense and an insult for the government to suggest that the extra time is needed for growers to work out the complex new electricity tariff structures. There is nothing complex in knowing your costs will jump 50 per cent in 12 months’ time when forced to switch to standard business demand-based tariffs.

Growers would have been much more convinced that the State Labor Government was listening to them if the Government put forward a solid plan that would see the reduction of electricity prices in the future rather than just kicking the can of price increases further down the road. By doing nothing to relieve the tariffs, the issue will remain a key election focus for growers.

It can only be hoped that the current review by the Queensland Competition Authority will put some pressure on the government with submissions like that of the Queensland Farmers’ Federation noting that irrigators in the Eton irrigation scheme will experience a more than $68/mL water price increase under projected pricing schemes.

Other voices outraged by electricity prices are joining ours. The Queensland Electricity Users Network (QEUN), a network of regional Queensland electricity users, last week pointed out that Ergon Energy had disconnected nearly 3500 homes in the March Quarter, an increase of 16 per cent in 12 weeks. More than 6000 householders were referred to an external credit collection agency.

As QEUN says, Ergon Energy is wholly owned by the Queensland Government and at any time the Queensland Government can choose to lower electricity prices.

Instead, Ergon has charged the electricity prices allowed by the Queensland Government to more than double its profit last year to $263 million - while at the same time cutting off those regional customers who can’t meet its prices.

Real tariff reform is needed but we have seen a reluctance from government to make any meaningful moves. Nothing seems likely to happen before the state election in October next year. Yet longer term sustainable electricity prices are a no brainer if we are to see primary industry survive, prosper and to be able to create employment and increase disposable income to boost the economy in regional Queensland.

CANEGROWERS will continue to fight for lower electricity prices and cheaper water for our industry and Queensland agriculture. It is good to see voices from other regional sectors are joining the debate.