

23 April 2012

Chief Executive  
Queensland Competition Authority  
PO Box 2257  
Brisbane QLD 4001

Dear Mr Hall

**Re: Draft Determination Regulated Electricity Prices for 2012 - 2013**

Even though insufficient time has been provided to fully respond to the Draft Determination on Regulated Electricity Prices for 2012-2013 Growcom Australia, as representative body of fruit and vegetable growers in Queensland, would like to put forward the following concerns.

1. As per the QCA recommendation for existing Tariff 62 users to move towards Tariff 22
  - a. for those irrigators geared towards using predominately off-peak consumption the 72% increase in cents/kWh is unjustifiable
2. As per the QCA recommendation for existing Tariff 65 users to move towards Tariff 22
  - a. for those irrigators geared towards using predominately off-peak consumption the 39% increase in cents/kWh is unjustifiable
3. Due to the proposed tariff changes Growcom will strongly object to any costs in relation to upgrading of electricity meters borne by the irrigator

Fruit and vegetable irrigators are very progressive and already have in-place efficient irrigation systems making it difficult to implement further energy savings. In the process of incorporating these efficiencies the majority of irrigators have geared their irrigation and operational systems towards existing off peak / peak tariff arrangements. This organisation of the farming system is difficult and costly to rearrange and potentially results in irrigators not being able to fully satisfy crop water requirement. The end result of this is quite clear – high input costs / unsustainable production / no farm business.

Irrigators in the fruit and vegetable industry are price takers and as a result are unable to shift a significant cost impost along the supply chain. To assist irrigators of fruit and vegetables Growcom Australia would like to see

1. a more robust analysis of available data as we suspect energy use per tariff is grossly underestimated by QCA

- a. this will provide for a better picture as to the impact

On a separate issue but potentially related, Growcom would like to see an increase to the eligible size of solar photovoltaic systems from 5 kilowatts to 10 kilowatts under the Queensland Government Solar Bonus Scheme. Increasing the cap will make green energy investment more viable for irrigators enabling them to at least offset some of the impacts to increased operational costs.

Yours sincerely



Scott Wallace  
Growcom Land and Water Manager