



QUEENSLAND  
FARMERS'  
FEDERATION

# QCA Interim Consultation Paper Regulated Retail Electricity Prices 2024-25 (December 2023)

**Prepared by:**

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**Prepared for:**

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Queensland Competition Authority

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The background of the document features a photograph of a rural landscape. In the foreground, there is a field of tall, golden-brown grass. A dirt road or path runs through the field. In the middle ground, a series of wooden utility poles with power lines stretch across the landscape towards the horizon. The sky is a clear, pale blue. A dark blue diagonal graphic element is present in the bottom right corner of the page.

The united voice of  
Queensland agriculture

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## Our members

- Canegrowers
- Cotton Australia
- Queensland Fruit & Vegetable Growers
- Nursery & Garden Industry Queensland
- eastAUSmilk
- Australian Cane Farmers Association
- Queensland United Egg Producers
- Turf Queensland
- Queensland Chicken Meat Council
- Pork Queensland
- Bundaberg Regional Irrigators Group
- Burdekin River Irrigation Area
- Central Downs Irrigators Ltd
- Fairburn Irrigation Network
- Mallowa Irrigation
- Pioneer Valley Water Co-operative Ltd
- Theodore Water Pty Ltd
- Eton Irrigation
- Queensland Oyster Growers Association
- Lockyer Water Users Forum

## About the Queensland Farmers' Federation

**The Queensland Farmers' Federation (QFF) is the united voice of agriculture in Queensland.**

We are a member-based organisation representing the interests of peak agriculture industry organisations (both state and national). Through our members, QFF represents more than 13,000 primary producers across the cotton, cane, horticulture, dairy, nursery and garden, poultry, pork, and intensive animal industries.

We unite the sector to engage in a broad range of economic, social, environmental, and regional issues through advocacy, policy development, and project activity. We work with the government of the day on behalf of industry, farmers, and the community to provide powerful representation and contribution to the policy direction, sustainability, and future growth of Queensland's agriculture sector.

Our Council of member representatives and policy committees set the strategic priorities for policy development and advocacy, while our Executive Board ensures our corporate governance.

QFF draws on the expertise and industry knowledge of our members, and through our commitment to collaboration and considered policy development, we lead Queensland's agriculture sector towards a strong future, ensuring our members are ahead of the game and have a voice at the table on the issues that matter to their members.

## Submission

QFF welcomes the opportunity to provide comment on the QCA Interim consultation paper (ICP), Regulated retail electricity prices for 2024-25 (December 2023). We provide this submission without prejudice to any additional submission from our members or individual farmers.

### Overview

QFF note the key areas that we wish to address in this submission are detailed below and can be summarised as:

- Equitable pricing.
- Removal of the solar bonus scheme from tariff charges.
- Target of a 16c/kW ceiling on all tariffs.
- Thresholds for small customers' needs to be increased from 100 to a minimum 160MW.
- Ensure CSO is paid to Ergon network and not to Ergon retail.

## Summary

Delivering affordable electricity and balancing energy loads, are reliant on flexible, competitive, and affordable tariffs to reflect seasonal requirements in the agricultural industry. QFF has consistently notified the QCA that by continuing with an outdated pricing framework, we will continue to not only see electricity prices increase, but will see an unsustainable use of energy loads, as businesses implement other energy sources to keep their businesses viable. As this is a repetitive ask by the Queensland agricultural sector, there still appears to be a lack of understanding on how the sector utilise energy and how pricing is becoming cost prohibitive to farming communities.

Affordable tariffs are a main driver of sustainable business, which has been previously identified as 16 cents per kilowatt hour (ceiling price), based on the network costs (N component) and retail costs (R component) not exceeding 8 cents per kilowatt each. Providing an affordable tariff, with competitive pricing will as noted in prior submissions, allow stability and future growth for farm businesses who are currently unable to plan more than a year ahead of time, due to the unstable nature of the electricity network framework. Also, as part of QFF's continued advocacy and education to the QCA, QFF on behalf of our members, continues to support the CSO being paid to the Ergon network and not Ergon retail.

Allowing a non-competitive framework for the CSO component, is hindering the competitive nature of the retail electricity market. Although these points have been mentioned in previous QFF submissions and do not form part of the scope under the current delegation for the ICP, QFF requests that these factors are incorporated into the pricing framework when undertaking the proposed delivery of affordable and sustainable electricity for Queensland. The same rhetoric is occurring all too often in Queensland when it comes to energy pricing, and with the agricultural sector currently fighting a myriad of challenges, this is one that can provide some reprieve, and not just in times of drought.

Affordability is a key driver for all farming businesses, and without realistic, reliable, equitable and affordable energy pricing, Australia will continue to experience a continued decline in agriculture and its ability to remain a food-secure nation.

Energy pricing in Queensland is a critical aspect that directly impacts consumers, businesses, and the overall economy. This submission aims to highlight key challenges in the current energy pricing structure and proposes strategies for a more sustainable and affordable energy future in the region, including QFF's response to the questions outlined in the ICP.

## Challenges

1. Queensland has experienced a steady increase in energy costs, placing a burden on households and businesses. Understanding the factors contributing to this rise is crucial for effective solutions.
2. The reliance on traditional fossil fuels poses environmental and economic risks. Transitioning to cleaner, renewable energy sources and an appropriate energy source mix in an appropriate manner, is imperative for long-term sustainability.
3. The complexity of energy tariff structures can lead to confusion among consumers. Simplifying these structures can enhance transparency and empower consumers to make informed choices.

## Proposed Strategies

1. Encourage increased investment in renewable energy projects, such as solar and wind along with distributed small scale battery opportunities, to diversify the energy mix and reduce dependence on fossil fuels. Government incentives can stimulate private sector involvement.
2. Deploying smart grid technologies can enhance grid efficiency, reduce transmission losses, and provide consumers with real-time information to optimize their energy consumption, ultimately leading to cost savings.
3. Streamline energy tariff structures to make them more transparent and user-friendly. This can empower consumers to choose plans that align with their needs and encourage competition among energy providers.
4. Develop comprehensive programs to educate consumers about energy efficiency, conservation, and the benefits of renewable energy. Empowered consumers can play an active role in demand-side management.
5. Foster collaboration between government bodies and energy industry stakeholders to implement policies that ensure fair and competitive pricing. Regular reviews and adjustments can address evolving market dynamics.

## QFF responses to the questions outlined in the ICP

### 1. Default retail tariff arrangements for small customers.

Under the current arrangements, if a small customer does not nominate a primary tariff when opening an electricity account, they are required to be assigned to a flat-rate tariff by default. The request in the ICP is to dispose of these current default arrangements.

*QFF do not support the removal of a default retail tariff arrangements until further information and surety and clarity for tariff comparisons can be provided in a bill format for consumers.*

If the energy provider can demonstrate a commitment to investigating a customer's needs at the initial stages of inquiry into an electricity account and the appropriate tariff for that customer is implemented, and this is a clear and transparent process with accountability then the removal of a default tariff could potentially occur over time. Until such time, a clear framework, that incorporates education for the end user and supplier needs to be adopted, and therefore at this stage QFF cannot support the removal of a default tariff arrangement until a commitment to investigate a customer's needs and match with the appropriate tariff has been met.

### 2. Small customer metering service costs.

As part of the Ministers delegation letter a key target of the QEJP aims to achieve 100 per cent deployment of smart meters.

QFF supports the roll out of digital meters, which allows access to controlled load and solar soaker tariffs and are crucial in the complex management of water and energy costs. The implementation cost of smart meters ranges in diversity across the state, and across providers and as such QFF supports its members in their individual approach to digital meter deployments in each region. It is imperative that installation costs are not cost prohibitive and restrict consumers from accessing tariffs that are more suitable to their business.

### 3. Manual meter read fee — type 4A meters.

Under the current framework, if a customer voluntarily disables the remote communication function on their digital meter, they need to pay a retail fee for a manual meter reading. Whilst we acknowledge this fee was set last year based on the AER-approved special meter read fee, it is imperative that there is a legitimate option for remote meter reading, and the efficacy of the process and options for consumers are easily accessible in the event of a dispute.

## Conclusion

Addressing energy pricing challenges in Queensland requires a multi-faceted approach involving investment in renewable energy, a sustainable mix of energy sources, technological innovation, policy reforms, and consumer empowerment. By implementing these strategies, Queensland can achieve a more sustainable and affordable energy future, benefiting both its residents and the broader economy.

QFF acknowledges that in this ICP that numerous points made in the submission are not part of the current delegation, but in order for agricultural businesses in Queensland to remain viable, the above issues cannot be siloed, and as stated previously requires a multi-faceted approach by government, the regulators and utility providers.

If you have any queries about this submission, please do not hesitate to contact Ms Sharon McIntosh at [sharon@qff.org.au](mailto:sharon@qff.org.au).

Yours sincerely



Jo Sheppard

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Queensland Farmers' Federation.



**This submission is provided by the Queensland Farmers' Federation**

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