



Submission to

**The interim Consultation Paper September 2012,
Regulated Retail Electricity Prices 2013-14**

October 2012

About Growcom

Growcom is the peak representative body for the fruit and vegetable growing industry in Queensland, providing a range of advocacy, research and industry development services. We are the only organisation in Australia to deliver services across the entire horticulture industry to businesses and organisations of all commodities, sizes and regions, as well as to associated industries in the supply chain. We are constantly in contact with growers and other horticultural business operators. As a result, we are well aware of the outlook, expectations and practical needs of our industry.

The organisation was established in 1923 as a statutory body to represent and provide services to the fruit and vegetable growing industry. As a voluntary organisation since 2003, Growcom now has grower members throughout the state and works alongside other industry organisations, local producer associations and corporate members. To provide services and networks to growers, Growcom has about 30 staff located in Brisbane, Bundaberg, Townsville, Toowoomba and Tully. We are a member of a number of state and national industry organisations and use these networks to promote our members' interests and to work on issues of common interest.

Thank you for the opportunity to submit a response regarding the interim consultation paper. Growcom's response to specific issues within the paper

Appendix A Item 2:

Consideration of customer impacts and transitional arrangements

- Growcom is appreciative of the extended transitional arrangements however a number of our growers have been excluded from this process as a result of T22 small not being included. The significant increase in tariff rates (76%) has impacted severely with no options for growers to action in an effort to reduce electricity costs. To assist irrigators in this situation Growcom would like to see them being able to change to an obsolete irrigation tariff and be subject to the transition.

It is unclear at this stage what activities need to be undertaken and how QCA will address the increase in tariff rates throughout the transitional period. This process needs to be clearly outlined to ensure minimal impacts to customers and enable industry peak bodies to effectively assist their members.

Appendix A Item 5: Other matters in the delegation and ToR (Time-of-use Tariffs)

- Growcom for a number of years has delivered a water use efficiency program to the horticulture sector. During this time we have promoted practice change and assisted irrigators to improve irrigation systems and the management of. As per this change the majority of irrigators have adopted highly efficient application systems which are designed to apply sufficient crop water requirement on a daily basis whilst taking advantage of lower (off-peak) energy costs. These changes,

to date, have resulted in approximate irrigation energy savings of 840,000kWh annually within the Queensland horticulture industry.

- The implementation of large and costly irrigation infrastructure
 - \$10,000/ha for micro & drip
 - \$5000/ha for centre pivot & lateral move

is not readily adaptable to significant change and thus horticulture irrigators will be unable to take advantage of reduced peak rates and will be fully impacted by the increases in off-peak rates. To assist irrigators Growcom would like to discuss the implementation of a stand alone irrigation tariff.

Delegation Terms of Reference 5b: Time of use pricing

Growcom suggests that the approach taken by QCA to calculate TOU tariffs will have a negative impact on irrigators. Horticulture growers currently irrigate in off-peak times and consequently will not benefit from any tariff rate reductions, but quite the reverse. To address this Growcom would like to discuss the implementation of a stand alone irrigation tariff.