



QUEENSLAND
FARMERS'
FEDERATION



QCA Draft Determination Regulated Retail Electricity Prices in Regional Queensland 2026-27 May 2026

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Queensland Competition Authority

Contents page

About the Queensland Farmers' Federation	2
Submission	2
Overview	2
QFF Detailed Submission	4
QFF Feedback.....	5
Conclusion.....	10

This submission is provided to:

Queensland Competition Authority

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Our members

- Queensland Fruit & Vegetable Growers
- Cotton Australia
- CANEGROWERS
- Greenlife Industry QLD
- eastAUSmilk
- Queensland United Egg Producers
- Turf Queensland
- Pork Queensland
- Australian Chicken Meat Federation
- 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
- Lockyer Valley Water Users

About the Queensland Farmers' Federation



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

Our members are agricultural peak bodies who collectively represent more than 13,000 farmers who produce food, fibre and foliage across the state.

QFF's peak body members come together to develop policy and lead projects on the key issues that are important to their farmer members and the Queensland agriculture sector.

Together, we form a strong, unified voice leveraging our effectiveness by working together to drive policy and initiatives that support a strong future for Queensland agriculture.

Submission

The Queensland Farmers' Federation (QFF) welcomes the opportunity to provide feedback on the Queensland Competition Authority's (QCA) Draft Determination for notified electricity prices for regional Queensland for the 2025–26 period.

Overview

QFF acknowledges QCA's ongoing engagement and notes that QCA Chair Dr Malcolm Roberts has described this year's draft determination as containing a decrease in prices for residential and small business customers in regional Queensland, and an increase in prices for large business customers.

QFF notes that this year's draft determination takes a focus on reducing costs and increasing flexibility for residential and typical small business customers, with an 11.3% (or \$296) decrease for customers on flat-rate tariff 20.

However, once again, the proposed tariff structures do not meet the needs and adds increasing pressure for agricultural businesses, particularly irrigators and growers who produce Queensland's vital food, fibre and foliage. These producers have complex, seasonal, and inflexible energy needs.

On behalf of Queensland's agricultural industry, QFF raises the following concerns:

- The removal of Tariff 22C leaves a significant and impactful gap for agricultural businesses that align irrigation schedules with solar generation. There is no suitable replacement that will adequately reduce energy costs and encourage day-time energy use. This astonishing oversight will continue to exacerbate pressures on the financial viability of solar-aligned infrastructure. As QFF has previously articulated in its submission on the matter in 2025, the 12-month transition period of the removal of Tariff 22C, without a suitable replacement, is unreasonable and appears rushed.
- QFF remains concerned and notes the questions and considerations raised by the QCA in its Draft Determination, regarding a transitional tariff from 100 MWh/Y to 160 MWh/Y for small to large energy customers. On the basis of QCA's similar concerns, QFF stands by the call to raise the small customer threshold to 160 MWh/Y. Also highlighted by QFF, the QCA Draft Determination notes the complexity, glidepath and operation, along with

QFF concerns about bill forecasting, ability to optimise irrigation timing, and modelling load profiles against new tariffs.

- QFF is significantly concerned about the cumulative cost increases in the commonly used irrigation tariffs. These price increases follow a significant increase in price in the 2023-24, 2024-25 and 2025-26 pricing periods, which drives unsustainable charges for many agricultural producers. The lack of creativity to adequately address the supply requirements and cost impacts for agricultural producers places a further, undue financial strain at a time of a critical energy crisis, adding pressure that will see farmers move out of business.

QFF makes the following statements for QCA consideration:

- Loss of access to Tariff 22C without a replacement, and further time-of-use pricing increases, will drive up the cost of daytime irrigation periods.
- The EV Tariff would be suitable for irrigated agriculture however, by definition, this tariff is limited to residential customers.
- QFF stands by its call to retain or extend Tariff 22C for a minimum of two years to preserve a critical cost-saving option for irrigators who depend on daytime electricity use, or broaden the definition of applicability of the EV tariff to include irrigated agriculture.
- Further increases in the daily supply charge for Tariff 49 – which could have been an important tariff for irrigators – has passed the point of usability. The lack of uptake by farmers for this tariff suggests this tariff is uneconomical.
- The combination of flat rate charges and demand charges across Tariff 50B and 44A do not offer a sensible and usable configuration of connection and peak time charges for business customers. QFF asks the QCA to look into this.
- The daily service fee of \$49.396 on Tariff 60A is a major disincentive to the uptake of controlled load by irrigators who are above the 100 MWh/Y threshold. QFF recommends a targeted application of the CSO at this component would be beneficial.
- QFF stands by its call to introduce a solar-soaking alternative Tariff, such as one based on efficient cost-reflective pricing of 8c network + 8c retail = 16c/kWh, or redesign existing TOU structures to better incentivise daytime energy use and provide greater operational flexibility for farmers.
- QFF is opposed to the implementation of a transitional tariff and stands in favour of lifting the small customer tariff to 160 MWh/Y. Modelling from Energy Queensland indicates that customers with annual consumption between 100 MWh/Y and 160 MWh/Y would likely benefit from lower electricity bills under a higher threshold. Higher thresholds exist in other states of Australia, and QFF insists the threshold be raised to avoid unnecessary complexity and uncertainty presented by a transitional tariff, as described in the QCA Draft Determination.
- QFF understands that network costs are driving what appears to be a faltering balance between fixed charges and demand charges. QFF recommends QCA consider the applicability of the tariffs listed above from a view of customer-focused pricing

structures that suit the industries that the network is supporting, in a logical balance of network costs.

QFF remains committed to working constructively with the QCA, Energy Queensland Limited (EQL), and other key stakeholders to ensure that the 2025–26 electricity pricing framework supports the long-term sustainability and competitiveness of Queensland’s agricultural sector. We look forward to a collaborative and inclusive consultation process that fully considers the diverse needs and challenges of farming operations across the state.

QFF Detailed Submission

3.1.1 Large customer ‘solar soaker’ tariff

QCA was asked to consider creating a new ‘solar soaker’ time-of-use (TOU) tariff for large customers.

This is a dedicated large customer tariff aimed to help mitigate bill impacts for customers transitioning from small to large customer classifications.

A solar soaker tariff is based on an existing network tariff and incorporates time-varying wholesale energy costs to create stronger price differences between peak and non-peak periods. The purpose is to encourage customers to shift consumption into non-peak periods to take advantage of lower usage charges. In recent years, a solar soaker TOU tariff has been available for residential customers (tariff 12E) and small business customers (tariff 22E).

The agriculture sector has complex, seasonal, and inflexible energy needs and cannot shift consumption easily like other customers. For a solar soaker tariff to be a usable and practical option for large energy users in the agriculture sector, the:

- daily supply charge would need to be cost effective, not cost prohibitive
- tariff rates encourage utilisation during mornings, shoulder and night times
- tariff applies suitable for peak, shoulder and day windows.

The sector has consistently expressed the possibility for affordable electricity at 16 c/kWh. Which can be achieved through innovative tariff structures that better understand customer needs, particularly critical industries like agriculture’s food, fibre and foliage production for Queensland.

The sector has asked the QCA, through its delegation, to design objectives that align customer use with systems needs, incentivising usage in periods of high solar output and/or low demand, and moving use away from peak periods. Appropriate tariffs that remain consistent with AER tariff principles which is cost-reflective, encourages efficient use of the network, supports farmers to integrate solar and batteries, and reduces peak augmentation needs.

In its determination, the QCA has noted its limitations:

1. QCA is unable to introduce TOU windows that differ from those in the relevant network tariff, even if doing so would make the tariff more attractive for potential users. These TOU windows have been developed by the Ergon Network tariff strategies and were approved by the AER.
2. QCA is unable to modify network pricing structures and charges. Even though tariff 49 is unusable and unattractive to the agriculture sector due to its inaccessibly large daily supply charge of \$286 per day – which equates to \$104,500 per annum on supply charges alone.

Two tariff structures were considered by the QCA:

1. **Tariff 49**, which has TOU usage charges and a daily supply charge limited to customers with monthly peak demand greater than 120 kVA and annual consumption below 160 MWh/Y:
 - \$286 per day / \$104,500 pa daily supply charge
 - 18c off peak
 - 36c shoulder
 - 41c peak

2. **Tariff 50C**, which includes TOU usage charges, TOU demand charges and a daily supply charge:
 - \$37 per day / \$13,520 pa daily supply charge
 - 9.6c off peak (lower than 50B 18c)
 - 20c shoulder
 - 49c peak (higher than 50B 41c)
 - Demand charges:
 - a. 5.9c shoulder kVA/mnth
 - b. 14c peak kVA/mnth
 - c. 6.6c kW/mnth
 - d. 15.8 kW/mnth

QFF Feedback

Tariff 49: QFF reaffirms that tariff 49 is unlikely to be an effective solar soaker tariff, with a prohibitively large daily supply charge and eligibility conditions that limit customer access.

Tariff 50C: QCA has decided to base the new solar soaker tariff on the underlying network tariff for tariff 50B and has designated the new tariff 50C. It is more complex with demand charges and frees up demand and consumption eligibility requirements, thus seeking to apply to a broader range of large customers. The practicality of this tariff, however, is limited by such a small 2hr off-peak widow (11am-1pm), in contrast to the analogous tariff 12C for residential customers which applies from 11am – 4pm. QFF and its members, including submissions by Cotton Australia, Queensland Canegrowers Organisation and irrigator member groups, have long encouraged the sensibility of a longer day time solar sponge of 10am – 3pm. A missed opportunity for a pricing benefit to support agricultural large energy customers like irrigators, to use a solar soaker tariff, appears nonsensical.

QFF supports tariff 50C in absence of anything more relevant that would practically meet the requirements for the production of food, fibre and foliage in Queensland – a system which operates across a broader range of the sunlight hours available in Queensland. QFF recommends further consideration to set the right mix of pricing signals to suite actual customer needs.

3.1.2 – EV tariff proposal

The EV Tarriff would be suitable for irrigated agriculture however, by definition, this tariff is limited to residential customers, while agriculture could also support the objectives of such a tariff design.

QFF Feedback

QFF is disappointed to see that a framed 'EV tariffs' was not able to be more creatively and practically made available to other energy users during peak solar time, especially if they attract an additional Community Service Obligation.

3.2.2 – Small to large customer transitional tariff

Agricultural electricity use is seasonal, intermittent and often characterised by low utilisation. Many irrigators and other primary producers consume large volumes of electricity in short seasonal windows, yet are subject to high fixed, capacity and demand charges that bear little relationship to their actual use.

Small customers are defined in Queensland legislation as customers that consume less than 100MWh/Y of electricity annually. Once a small business customer consumes more than 100 MWh/Y annually, they are classified as a large customer and move onto more cost-reflective large customer tariffs, which typically include daily charges, usage charges and demand charges. This can lead to a sharp bill increase, primarily because of the higher large customer prices, as well as the more complex demand-based tariff structures. QFF sees evidence of this bill impact on intermittent or seasonal users, first hand with growers, on repeated occasions, within the sugarcane, horticulture, nursery, dairy and small animal industries.

QFF still maintains its concerns about the practicality and transparency of a transitional tariff. We agree with the QCA that it would introduce complexity, with the implementation process unclear, ability for farmer to know their pricing structure also unclear, and posing a pricing trap if used for productive activities (irrigation, on-farm processing, EV charging, etc.). As QCA notes, the design requirements relating to the glidepath, eligibility, duration, interaction with network tariffs, bill impact targeting and implementation considerations will all need serious consideration.

For those who can, use of diesel as an alternative fuel supply was a more cost attractive option.

QFF Feedback

QFF firmly stands by its position to raise the small to large customer threshold from 100 MWh/y to 160 MWh/y, as it is a much more implementable, transparent, logical and understandable option. Energy Queensland modelling indicates that customers with annual consumption between 100 MWh/Y and 160 MWh/Y would likely benefit from lower electricity bills under a 160 MWh/Y threshold.

A proposed 160 MWh/Y is not radical – other jurisdictions already recognise higher thresholds for “small” customers with South Australia at 160 MWh/Y, and Tasmania higher than 100 as well.

QFF also stands firmly by a call for a reassessment mechanism whereby a customer reclassified as a Large Customer may request a reassessment and be offered to be reclassified as a Small Customer and returned to Small Customer tariffs.

QFF would support a transition pricing model in principle, only in preference of the status quo (i.e. maintaining the current 100 MW/h threshold), and only if it was practically applied and offered improved outcomes for agricultural businesses. It will require practical tools to support growers in assessing bill impacts, optimising irrigation timing, and modelling load profiles

against new tariffs, with support no later than July 2026. Further, there must be genuine engagement and testing with impacted customers on the transitional tariff.

3.3 Other tariff matters

3.3.1 Transition and expiry of obsolete tariffs

QFF remains opposed to the proposed removal of Tariff 22C. The removal of the embedded solar soaking period in this tariff will result in a major disruption for a key group of electricity users who have strategically aligned their energy use with solar generation. Eliminating this feature directly undermines efforts to promote more sustainable and cost-effective agricultural practices by removing a key incentive for renewable-aligned electricity consumption.

Tariff 22C was introduced as a transitional measure following the retirement of legacy farming tariffs such as Tariffs 62 and 66. It provided a highly effective pricing signal by significantly reducing electricity charges between 9am and 4pm—precisely when Queensland experiences peak solar output. This midday pricing window incentivised irrigators to shift their operations to daytime hours, enabling the widespread adoption of “solar soaking” practices.

The proposed transition to Tariff 22E fails to provide the same financial incentives. Unlike Tariff 22C, Tariff 22E does not encourage energy use during midday hours and, in fact, increases daytime pumping costs due to a broader shoulder pricing window. This change will result in significant cost increases for irrigators who have structured their operations around previous off-peak (9am to 4pm) pumping times, putting years of investment in infrastructure, automation, and energy management at risk.

Deeming specific and targeted Tariffs, like 22C, as “underutilised,” overlooks its importance to customers that it serves and do depend on it, without a more appealing option to transition to. It meets the energy demands of users that are both significant and time-sensitive. Removing the incentive to irrigate during solar-friendly hours could shift demand to evening peaks, increasing grid strain, raising costs, and running counter to Queensland’s broader goals for renewable energy integration.

Noting the exclusion of agricultural businesses from the ‘EV Tariff’, QFF stands by its recommendations to:

- Retain and extend Tariff 22C to provide certainty and allow growers time to adapt operations to new tariff structures.
- Develop a new “solar soaking” tariff that supports daytime pumping at an efficient cost-reflective level (e.g. 8c/kWh network + 8c/kWh retail = 16c/kWh), or redesign TOU structures to better align with solar generation patterns.
- Expand the solar soaking window for small businesses to match the zero Distribution Use of Service (DUOS) period available to residential users (11am to 4pm) to encourage broader daytime energy use and help relieve pressure on evening peaks.

We reiterate our recommendation that QCA explore further incentives for agricultural customers to shift consumption to more extensive periods with high renewable energy availability.

3.3.2 Access requirements for Tariffs 60A and 60B (large business load control tariffs)

Tariffs 60A and 60B are dynamic / interruptible load tariffs, mainly intended for large, flexible loads such as irrigation and some industrial processes. Key characteristics include:

- Supply can be interrupted or constrained by the network
- Lower price signal in return for reduced reliability
- Typically require specific network signalling and control equipment
- Often used by irrigators and other “lumpy” or seasonal users.

The QCA regulates the price, but does not regulate who can access these tariffs. Access has been limited to only those parts of Ergon Energy Network’s distribution network where a specified load control system is available and operational. This was limited to a narrow, clearly defined group of customers, based not on price eligibility but on customer type, load characteristics, and network capability.

Access depended on:

- Customers classified as Large Customer – CAC or SAC with energy usage above the small customer threshold (100 MWh/Y)
- Connections with significant electrical capacity and operational flexibility
- Explicit approval by Ergon Energy Network
- Confirmation that the tariff could be accommodated without compromising local network security.

And the tariffs were generally suited to:

- Irrigation pumping
- Cotton ginning and processing
- Other agricultural or industrial processes able to tolerate outages or interruptions.

The agriculture industry has long raised feedback about the inequitable accessibility to Tariffs 60A and 60B.

Ergon Energy Network and Energex has now proposed that the retail tariff schedule be amended to allow customers to access tariffs 60A and 60B in other areas as determined by Ergon where standard load control signalling does not operate.

This offers to better accommodate emerging technologies and allow more customers to access and benefit from these tariffs, noting some large customers (including agricultural customers) cannot access these tariffs due to standard load control signalling not operating in their area.

QFF Feedback

QFF is supportive of the intention to make tariffs 60A and 60B available to more customers. QFF recommends to amend the retail tariff schedule to allow tariffs 60A and 60B be provided to customers in other circumstances should be applied and should be expedited.

However, QFF highlights that the daily service fee of \$ 49.396 on Tariff 60A is a major disincentive to the uptake of controlled load by irrigators who are above the 100 MWh/Y threshold. To be properly accessible and effective, QFF recommends targeted application of the CSO at this component as a beneficial enabler of access to this tariff.

4. Individual cost components

4.1 Network component

Queensland Canegrowers Organisation has raised the impact of the narrowing price differential between Tariff 34 and Tariff 20 – from 68.6% in FY24 and 25 to 73.7% in FY26, and calls for lowering the usage rate of the interruptible supply tariff.

Tariff 34 is a controlled load tariff that allows the network to manage and interrupt load in response to system conditions. Customers on Tariff 34 provide a valuable demand management service to the network by accepting constraints on when electricity can be supplied.

The customer-provided demand flexibility is being progressively eroded, weakening incentives for participation in controlled load arrangements. Maintaining a clear price differential in favour of Tariff 34 is important to ensure customers continue to provide flexibility that supports reliability and lowers overall network costs. Customers on Tariff 34 accept material service limitations, including the risk of interruption and restricted availability windows. It is equitable that these customers face a lower usage rate in return for these constraints.

QFF Feedback

In response, QCA passes the responsibility of network tariff design to AER's regulatory processes. Rather than wash its hands of the feedback from customers about the AER and network impacts on tariff structure, QFF recommends that the QCA provide recommendations to the Queensland Government for engagement with the AER on these matters and take a more active position on the N+R method and electricity prices for vulnerable energy customers and valuable industries.

5.5 Additional issues raised by stakeholders - Community Service Obligation and retail competition in regional Queensland

Queensland Canegrowers Organisation has raised the issue of the CSO and retail competition in regional Queensland. The CSO should be directed to regulated network charges (Ergon Energy Network) rather than embedded in retail prices, on the basis that:

- Regional cost differentials are network-driven, not retail-driven.
- Retail-based CSO delivery distorts competition, insulating the incumbent retailer.
- Network-level CSO would:
 - lower charges for all retailers equally
 - improve transparency
 - support retail competition and innovation.

The QCA Draft Determination recognised the stakeholder feedback but defers responsibility to the Queensland Government regarding the design of the CSO, as a policy decision that is made by the Queensland Government. As the independent statutory authority that is administered under the QCA Act 1997, within the responsibility of the Treasurer of Queensland (the Queensland Government) QFF would expect QCA to make recommendations to the Queensland Government to promote the needs for competition in the Queensland Economy on an issue as pertinent as electricity. Particularly as the Treasurer of Queensland is also the Minister for the Energy portfolio, QFF recommends the QCA take a more proactive and impactful view of its role and reporting requirements.

Conclusion

QFF acknowledges the QCA's role as a statutory body administered under the Queensland Competition Authority Act 1997 and considerations of the Electricity Act 1994. QFF notes the relevance of many of the matters under this administration are complex, increasingly so in the current energy market. We welcome the consideration of our feedback on the tariff structures for 2026-27 and potential impacts of regulated market prices, plus other matters that can be referred to Queensland Treasury for progressive action in this changing energy environment.

Queensland's agricultural sector is essential to the state's economy, food security and regional communities, yet current tariff structures continue to impose disproportionate and unsustainable cost pressures on farmers with seasonal and inflexible energy needs. While QFF acknowledges the QCA's efforts to improve affordability for residential and small business customers, the draft determination does not adequately account for the operational realities of agricultural producers, particularly irrigators who have invested in aligning energy use with solar generation.

QFF urges the QCA to take a more Queensland competition-customer-focus and proactive role in advising government on tariff design, competition impacts and policy settings that better align network costs with efficient and renewable-aligned energy use. Retaining or replacing effective solar-soaking tariffs, raising the small-to-large customer threshold to 160 MWh/Y, improving tariff accessibility, and supporting competition-neutral CSO design are critical to maintaining the viability of farming businesses.

QFF remains committed to constructive engagement with the QCA and government to ensure electricity pricing frameworks support the long-term productivity, sustainability and competitiveness of Queensland agriculture.

If you have any queries about this submission, please contact Alicia Kennedy, alicia@qff.org.au.

Yours sincerely

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