

13 May 2026



QUEENSLAND
FARMERS'
FEDERATION

Mr Gavin Fox
General Manager
Australian Energy Regulator
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Via email: AERresets2027-32@aer.gov.au

Dear Mr Fox

RE: QFF submission to the Australian Energy Regulator on Powerlink's 2027-32 transmission revenue proposal

Queensland Farmers' Federation (QFF) welcomes the opportunity to provide comment on Powerlink's 2027-32 transmission revenue proposal.

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.

Energy pricing pressures on the agricultural sector

Reliable and affordable electricity is essential to the sustainability, productivity and competitiveness of Queensland farming businesses. Agricultural businesses are highly exposed to aging infrastructure and unreliable electricity supply, influences of changing demand profiles (both on-farm and regional demand), constantly changing regulated regional electricity price structures, cost volatility and insecurity of alternative energy sources such as diesel. Further to this, a rigid and inflexible electricity regulatory environment for regional customers causes ongoing financial strain and limits opportunity for smart energy management or innovation on farms.

As Queensland's united representative of Queensland agriculture, QFF has raised the electricity challenges facing the sector to the Powerlink's Customer Panel and Revenue Proposal Reference Group (RPRG). QFF acknowledges the consideration and response given by Powerlink to these issues, when raised in its customer engagement process. QFF understands that Powerlink has taken measures within its control, and with innovation where possible, to develop a prudent and efficient revenue proposal. QFF understands that the operating environment and investment needs of the future are complex and challenging, involving new energy generation, changing energy consumption profiles, enhanced cyber security, equipment and labour costs.

In its feedback to the RPRG, QFF has emphasised that energy is one of the most important inputs in an agricultural production system, and that a significant percentage of agricultural cropping systems are powered by grid supplied electricity. For more than a decade, QFF and its peak body members have engaged constructively in electricity pricing processes, and each year are dismayed at the legislative structures and narrow instructions that set regulated electricity prices within a

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Canegrowers
Cotton Australia
Qld Fruit & Vegetable Growers
Greenlife Industry Qld

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scope that does not support farm operations. Subsequently, there are long running and real operational needs for better pricing options to support farming operations.

Many farmers seek electricity infrastructure and pricing windows that enable agriculture to benefit from peak solar energy generation, however agricultural customers are still subject to narrow timing windows, high fixed, capacity and demand charges that bear little relationship to their actual use.

Additionally, as the agriculture sector and associated supply chains continue to decarbonise, there is increased levels and desire for electrification and automation. Unlike many other customer groups, farmers often have limited flexibility in their operations and ability to shift demand or pass on increased costs, thus amplifying the impact of energy price rises on farm viability.

In consideration of the increasing price impacts demonstrated in Powerlink's 2027-32 transmission revenue proposal, and reflecting the changing operating environment, QFF urges the AER to take a holistic approach to regulated electricity pricing in Australia, in a way that enables agricultural customers to manage rising costs of energy, remain competitive internationally and be able to practice smart management of farm energy input costs.

Powerlink's 2027-32 transmission revenue proposal

QFF has been an active and engaged member of the Powerlink Customer Panel and RPRG since the RPRG was established in 2025 and endorses its submission to the AER. QFF agrees that Powerlink's revenue proposal and customer engagement process has provided depth of detail, transparency, and rigour, and supports the RPRG's assessment that the proposal is capable of acceptance from a customer engagement perspective. QFF supports RPRG's assessment of Powerlink's significant improvement in engagement maturity, transparency and responsiveness throughout the reset process.

QFF endorses the recommendations listed and welcomes the AER's assessment into the prudence of Powerlink's proposed capital and operational expenditure, with the ultimate goal of spending only what is absolutely necessary to ensure a safe, reliable and efficient transmission network.

Support for a stable and predictable price path

QFF supports the RPRG's submission focus on price stability, predictability and restraint. Predictability of energy costs is essential for long-term planning and investment decisions such as irrigation upgrades, cold storage expansion, and adoption of electrified technologies and/or on-farm solar systems.

Productivity, deliverability and cost discipline

QFF supports strong regulatory scrutiny of proposed expenditure to ensure costs are efficient and deliverable and do not place unnecessary upward pressure on electricity prices. Productivity improvements within the regulated transmission network are critical to protecting consumers, particularly energy-dependent agricultural businesses.

Deliverability risks are a critical driver of potential cost increases for transmission investment in the 2027–32 period. As noted by the RPRG in its submission, a combination of labour shortages, supply chain constraints, and competing infrastructure demand across the east coast creates material uncertainty around Powerlink's ability to deliver projects on time and on budget. These risks are amplified by the scale of the proposed program, including a step change in capex and the potential for a further \$2.4 billion - \$4.3 billion in contingent projects beyond the core forecast. Where deliverability challenges lead to delays or cost overruns, there is a direct flow-through to higher Maximum Allowed Revenue (MAR) and ultimately customer prices, particularly given that a

significant proportion of overspend is borne by consumers. For agricultural customers, this creates uncertainty not only in future electricity costs but also in the timing and coordination of transmission development, reinforcing the need for the AER to closely scrutinise deliverability assumptions, workforce capacity, and supply chain risks as part of its assessment.

Conclusion

Queensland farmers are facing sustained cost pressures across multiple fronts. In addition to transmission-level cost pressures, recent changes in Queensland's distribution level electricity pricing and tariff structures are elevating energy from a routine input cost to a strategic constraint on food and fibre production in Queensland. Electricity costs are increasingly influencing cropping choices, irrigation intensity and, in some cases, decisions about whether agricultural enterprises can continue operating at all. In response, producers increasingly revert to diesel generation despite its higher emissions and long-term inefficiency, undermining energy security, grid utilisation, decarbonisation opportunities and system efficiency. These pressures have implications well beyond individual farm businesses, intersecting directly with regional employment, food security, state economy and export competitiveness. More broadly, there is a growing concern that current energy policy and pricing signals are shaping the structure of Queensland agriculture in unintended and often counterproductive ways.

QFF urges the AER to take a holistic approach to the impacts of electricity pricing in Australia. Keeping electricity prices as low as possible, while ensuring investment is efficient and robust, is critical to supporting the resilience and competitiveness of Queensland agriculture.

Yours sincerely

Jo Sheppard
Chief Executive Officer