

Irrigators Disappointed with Energy White Paper

The NSW Irrigators' Council has expressed disappointment with the Federal Government's Energy White Paper - pointing to the Paper's lack of recognition of the energy use patterns and cost pressure on irrigators and other regional electricity consumers.

The Council's Policy Manager Stefanie Schulte said that while the previous Energy Green Paper acknowledged the particular circumstances of irrigators who have little flexibility in changing their energy usage patterns, the White Paper is silent about irrigators and other rural users' energy challenges.

"NSWIC has emphasised on many occasions that irrigators who utilise electricity are extremely vulnerable to price increases and regulatory changes because of the inflexibility in their electricity use. We had expected that the White Paper would also recognise this."

The Council is particularly concerned about the Federal Government's support of cost-reflective tariffs. Despite the White Paper comment that 'most consumers will gain from cost reflective tariffs', there is genuine fear within the irrigation sector that this will simply lead to even higher electricity prices because irrigators are heavy power users over short periods, and have limited opportunities to access off-peak power tariffs.

"NSWIC supports the White Paper's objective of keeping prices down, however we cannot see how this will be achieved for the irrigation sector and other agricultural sectors, without tariffs specifically designed for agricultural industries usage patterns. Irrigators can either use their pumps to water their crops when the weather dictates or switch off their pumps and pressurised irrigation equipment and walk away. There is no 'in between' and cost reflective tariffs are not the answer."

"Electricity prices are already unsustainable for a large number of irrigators in NSW and if there are further cost increases it will force even more growers to go off the grid. The end result will be a death spiral of an expensive power network with a large number of stranded power assets and a declining customer base from which network costs can be recovered - leading to even steeper cost increases for those remaining on the grid."

"This is not a result that we want - either from the irrigator's or the power network's perspective. There must be a more sensible solution to the problem of electricity costs in rural NSW and we urge Minister Macfarlane to actively work towards a sustainable outcome for food and fibre producers and the communities that depend on them. NSWIC is urgently calling for a review of the rules around the calculation of regional power network charges and the introduction of food and fibre production tariffs that reflect overall power use, not cost reflective prices that disadvantage irrigators," Ms Schulte said.

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