



Queensland Electricity Tariffs Update – 2019

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Queensland Electricity Tariffs – October 2019 update

ENERGY MARKET TRENDS

- 61% increase in Electricity prices from 2015 to 2017: (2 years)
- 69% increase in Electricity prices from 2014 to 2017: (3 years)
- 243% increase in Electricity prices from 2011 to 2019: (8 years)



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Issue Queensland Foundries are facing

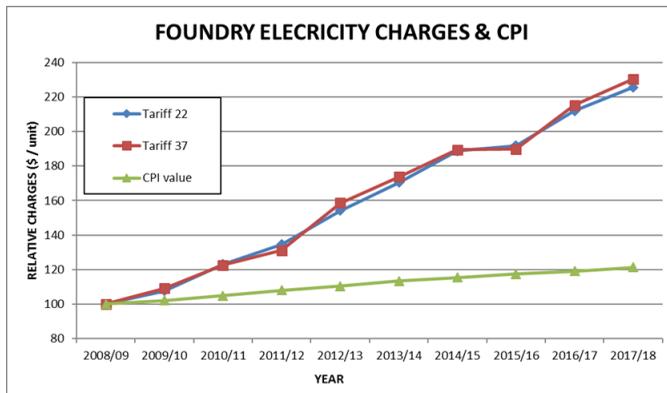
- Tariff 37 is a Foundry Specific Tariff introduced 20+ years ago
- Ergon Energy is 100% owned by the Queensland Government
- Tariff 37 originally to be become obsolete 1 July 2020. Now extended to 1 July 2021 to give more time for the Tariff structure to be revisited.

Whites Industries – current \$650K – 2020 estimate \$1.1M – employs 60
 Bundaberg Walkers - current \$1M – 2020 estimate \$1.7M – employs 96
 Northern Iron & Brass Foundry - current \$1M – 2020 estimate \$1.4M – employs 79
 CQMS Razor - current \$860K – 2020 estimate \$1.98M – employs 87
 Acut Townsville – current yearly spend \$145K – 2020 estimate \$650K – employees 7



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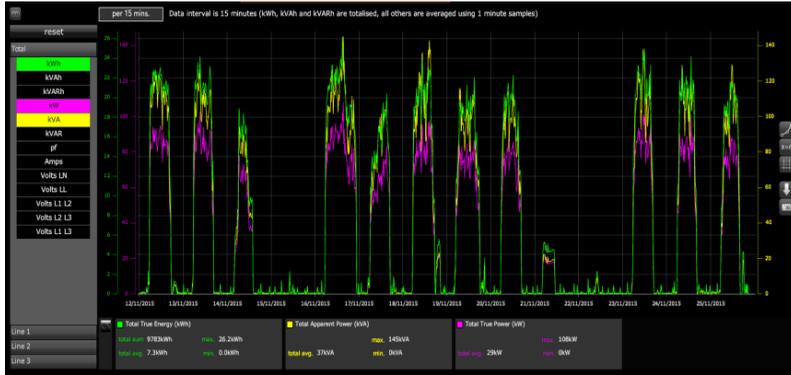
Typical Foundry cost increase since FY10



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Why the large increase once Tariff 37 is gone?



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Ergon Energy Regions



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What have we done to date?

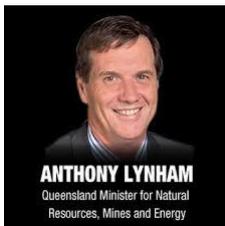
- Queensland productivity commission – all Foundries submitted many years
- Direct with local members of parliament
- All streams of media – Radio, Print and television
- AFI Queensland met at CQMS Razor in April 2019
Bundaberg Walker, Bradken, NIBF, White Industries and Acut
- Federal Election date was – 18 May 2019
1 in 4 Queenslanders voted Australia Labor Party



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What have we done to date?

- Meeting with Energy Queensland 24 May 2019
Bundaberg Walker, Bradken, NIBF, White Industries and Acut, AVK, Wear Tech and supplier Inductotherm
- 3 July 2020 – Meeting with Minister.
Dr Anthony Lynham is the Minister for Natural Resources, Mines and Energy
Present – Joe Vecchio, Enio Troiani (Bundaberg Walkers) and Simon Kay (Whites)



Peter Scott - CEO



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Foundries – Media approval

- Whites Industries – Employs 60
- Bundaberg Walkers - Employs 96
- Northern Iron & Brass - Employs 79
- CQMS Razor - Employee 87
- Acut Townsville – Employees 7
- Bradken Ipswich – Employees 200+
- AVK Currumbin – Employees 100+
- Larges' Foundry Toowoomba – 10+ Employees
- P&W Marine Brisbane – 20+ Employees
- Weartech Brisbane – 30+ Employees
- Foot Hills Steel Foundry Sunshine Coast – 20+ Employee
- QALCast Gold Coast – 10+ Employees
- Ausproof Gladstone – 35+ Employees

Total of – 750 + direct employees.



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Media engagement

- ABC Radio
- Innisfail Advocate
- North Queensland Register
- Farm Online
- Courier Mail promised – not published



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Government funded audits

- CQMS Razor – Maryborough
- White Industries - Dalby
- Northern Iron and Brass Foundry – Entire day wasted with incorrect data



No real solutions offered in the audit conclusions to date - Diesel generation noted as a recommendation with lengthily pay backs.

NIBF promised Audit report 19 August 2019 – Still waiting..... 9.5 weeks later

Now confirmed 11 weeks later than promised.



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Timeline moving forward

AER Draft Decision on TSSs (October 2019)

AER to release their draft decision on the TSSs

Network component – approximately 42%



AER Draft Decision Review and Publication of Revised TSSs (Oct 2019)

Energex and Ergon Energy to review AER draft decision and communicate proposed TSS revisions to customers and stakeholders on matters raised ahead of publishing Revised TSSs. **AFI represented 16 October 2019**

Submission of Revised TSS to the AER (early Dec 2019)

Energex and Ergon Energy to submit Revised TSSs to the AER.

AER TSSs Final Determination (April 2020)

Final determinations for the Energex & Ergon Energy TSSs.

Retail component – approximately 58%



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Thank you Questions?

