



14 September 2010

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Dear Sir

Re: Irrigation Prices for SunWater Schemes

In May 2006 the SunWater Customer Council representatives from Bundaberg CANEGROWERS and Bundaberg Sugar believed that the water pricing system at that time was unfair, with many users paying more than the cost of delivering their irrigation water.

They also believed that the system did not comply with either the Queensland or Australian Government's COAG policies.

These representatives sought irrigators' views on the matter of differential water pricing and promulgated a petition.

We the undersigned request:

"That a tariff structure be transitionally introduced to the Bundaberg Irrigation Scheme which is based on a differential water pricing regime with the variable being, the cost of electricity consumed to deliver water to the five major channel segments -- Gooburrum, Gin Gin/Bingera, Woongarra, Abbotsford and Isis."

"That future real increases in water charges be applied only to those segments currently operating below cost so that over time, electricity costs are met where those costs are incurred. All Government committed transitional subsidies should be applied to those segments impacted by the price increase."

243 Irrigators signed this petition and the following table expresses the combined results on a segment basis as follows:

Segment	Total Allocation ML	ML Supporting Petition	% of Segment Supporting Petition
Isis	47,000	2,252	4.79%
Abbottsford	1,000	533	53.30%
GinGin/Bingera	40,000	20,419	51.05%
Woongarra	34,000	22,957	67.52%
Gooburrum	28,000	12,314	43.98%
River	29,300	19,964	68.14%

I am sure that you will agree that this is not just a few or a minority viewpoint.

I acknowledge that our base support is from the Bundaberg sugar industry. I am certain that your investigations have already shown that the sugar industry is the largest user of irrigation water in our region.

It is interesting to note that the two large horticultural organisations that are requesting that the investigation proposed by QCA not go ahead are predominantly based in the Isis section of the scheme.

I would also like to point out that the 1969 to 1990 irrigation landscape related to an era which contained deliberate cross subsidisation across all water supply activities carried out by Government agencies within their various forms over this period (Irrigation and Water Commission; State Water Projects etc.) and were administered within a single portfolio based budget. There are now no more examples of this in existence and the reform process has been expedited through the national competition framework as well as the more specific COAG water policy agreements which make these changes particularly compelling.

The BRIG request to investigate nodal point pricing is based on the NWI which was agreed by the Queensland Government in June 2004. This is dated well after any of the supporting correspondence presented in various Isis based submissions. It is also based on requests from grass roots irrigators that have been unheard since 1990.

Given the amount of angst that this has caused, BRIG contends that it would be negligent not to proceed with the investigation as proposed by QCA.

Yours Sincerely



Mike Smith
Deputy Chair
BRIG