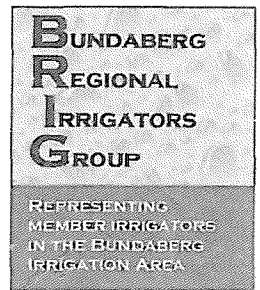


17 NOV 2010

DATE RECEIVED



15 November 2010

Hon Andrew Fraser MP
Treasurer and Minister for
Employment and Economic Development
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Dear Sir

RE: EXTEND WATER PRICING CONSULTATION PERIOD

Bundaberg Regional Irrigators Group (BRIG) is requesting the State Government to extend the consultation period for the QCA water pricing review.

SunWater was required to deliver their network service plans after consultation with irrigators in August. SunWater was granted an extension of time but it is now mid November and the plans have still not been posted on the QCA website and SunWater has still not discussed them with irrigator representatives.

On 4 October Minister Robertson criticised the QFF for not taking part in the QCA process. It would be most helpful if SunWater, a Government Owned Corporation that he controls jointly with yourself also participated in good faith in the process.

There is now no way that irrigators or the QCA can complete the very complex review process before the current completion date. Persisting with the existing water price path for an additional year and granting QCA and irrigators an extension of time is the only practical option.

Unfortunately Minister Robertson has also interfered in the process by directing that QCA cease an investigation into the adoption of nodal point charging within the Bundaberg Scheme. The Bundaberg Scheme is rather unique as very different pumping costs are incurred in delivery of water to different sub-sections of the channel system.

BRIG believes that nodal point pricing should be introduced to comply with the National Water Initiative position on cross subsidies. This agreement was signed by the Australian and Queensland governments in June 2004. Queensland has received in excess of \$1,000,000,000 from the Federal Government in National Competition Policy tranche payments between 1997 and 2006, to facilitate any changes that might be required under this program.

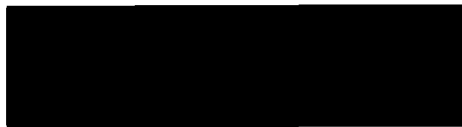
This issue was debated at the previous time-constrained 2005/6 price path negotiations conducted by SunWater and the introduction of nodal point pricing was rejected as time ran

out. It now appears that the current QCA process is being taken down the same path by the Bligh government.

This is in spite of promises made by Premier Beattie that the issue would be investigated fully in 2010.

Unfortunately QFF has actively campaigned against the QCA's proposed nodal pricing investigation. Why they would campaign against a study rather than the principle, which I suspect they do not understand, is puzzling.

As a result we will still have a significant section of Bundaberg Scheme irrigators paying well in excess of the cost of delivery for their water.



Mike Smith
Deputy Chair
Bundaberg Regional Irrigators Group

Cc Hon A Bligh, MP, Premier
Stephen Robertson MP Minister for Natural Resources, Mines & Energy
Mr EJ Hall CEO QCA