

Dear Sir

I am a cane grower and irrigator in the Bundaberg Water Supply Scheme and wish to emphasise my support for the current method of postage stamp pricing for water delivery. This method is part of a long standing agreement that was made when the scheme was envisaged over forty years ago. Without it, the scheme may never have been built and certainly not built in its current form.

This scheme was built to serve the sugar industry in the Bundaberg/Isis region. Postage stamp pricing recognises the unique nature of the sugar industry, ie; it is not only necessary for farms to be viable but mills have to be as well. Mills require throughput to achieve this and if some farms stop growing cane because water costs are too high the mills existence will be threatened. This will put the entire regional industry at risk. It could be argued that the mills could pay less for cane and use these savings to subsidize growers with high water charges but postage stamp pricing provides the same outcome much more efficiently.

Postage stamp pricing is used throughout Australia in such areas as health, education, defence, policing, transport, electricity, local government and of course stamps. It is understood and accepted by the community. Without it regional Australia would not exist. It is used and accepted within the sugar industry as growers are paid the same for their cane irrespectively of how far their delivery point is from the mill.

To change now to a system of differential pricing for electricity prices would be unfair to some users. It would also have a disruptive effect on agriculture in the region, eg; if cane was no longer profitable farmers would grow other crops which would result in lower prices for these products. The benefits of differential pricing for those lucky enough to receive them may only be short lived as these and other unintended consequences arise.

Yours sincerely

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