



CANEGROWERS

MEDIA RELEASE

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Irrigators voice disappointment at water price hike

NEWS released today that the State Government will increase water prices has been greeted with disappointment by irrigators and the sugar cane farming sector of the Mackay region.

The State Government announced this morning that it would arbitrarily increase the price of water despite the Queensland Competition Authority review of SunWater Irrigation water prices being incomplete.

Canegrowers Mackay chairman Paul Schembri said water was a critical input into the sugar cane industry's productivity.

"If water is priced beyond the economic reach of farmers then it can have a severe financial impact on our industry," Mr Schembri said.

"We don't mind paying increases in water charges in line with the movement of CPI, but for Pioneer Valley water scheme irrigators, who face a 15 per cent (increase for both Parts A & B of their SunWater Bulk Water Charge), and Eton irrigators who face a seven per cent increase - it (the price increase) is unreasonable."

Mr Schembri said the sugar industry had been under the impression that this year's water increases would be contained within the CPI until the QCA's completion of the irrigation water pricing review.

"Obviously that has not happened," he said.

Kerry Latter, CEO Canegrowers Mackay said government had limited SEQ's water price increases to CPI, however rural schemes would take the real hit with increases well in excess of CPI with no sound data to base these increases on.

"Sugar irrigators consider that the review process should be allowed to take its course without interim increases above CPI weighing on the industry's ability to perform," Mr Latter said.

Pioneer Valley Water (PVWater) manager John Palmer said he also was disappointed by the announcement.

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PVWater is the body tasked with managing water allocations across the Pioneer Valley.

“This price increase before the completion of the water pricing review is completely underhanded,” Mr Palmer said.

“This is particularly as the QCA review has been delayed as SunWater provided very poor quality documentation to QCA earlier this year, and we now see SunWater rewarded with an arbitrary price increase for both the Eton and Pioneer schemes.

“If we separate Part A Bulk Water Charge for the Pioneer River scheme we’re facing a 24 per cent rise from \$10.21 per Mega-litre to \$12.65. Kinchant Dam scheme (Eton) irrigators are facing an eight per cent increase to their Part A charge,” Mr Palmer said.

“We are not happy about this decision – let the QCA do their job.

“The State Government has in place a policy that there will be no decreases in water prices. What they’ve done now is ensure an increase regardless of the outcome of the QCA review,” Mr Palmer said.

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