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Bronwyn Dwyer, Manager, Tableland CANEGROWERS Ltd and Joe Moro, President, Mareeba District Fruit and Vegetable Growers Association Inc. have prepared the following Joint Submission:

KEY ISSUES on Irrigation Prices for Mareeba / Dimbulah Water Supply Scheme (MDWSS)

Issues Regarding Government Brief to QCA

- We are strongly opposed to the Ministers direction for QCA to set price structures to cover a rate of return on Tinaroo Falls Dam. Introducing rate of return will significantly increase water prices and will make irrigators very reluctant to agree to investment in modernisation in the future.
- There is no provision in the Government brief to explore the implementation of Local Management. Given the impending significant increase in water prices and the reduced level of local service by SunWater, we feel strongly that there should be an investigation into local management for the MDWSS.

Key Points for Issues Papers

- 1) Form of Regulation
 - a. Calculations should be carried out to compare whether a Price Cap or a Revenue Cap would be more appropriate for the MDWSS
 - b. SunWater has attempted to implement cost savings by cutting staff to our Regional Office. This is not a workable solution for our irrigators. How do we encourage SunWater to look at cost savings without reducing their level of service to the regions?
 - c. How can infrastructure inefficiencies be addressed within our scheme?
- 2) Tariff Structure
 - a. We would like to see the retention of the current MDWSS Part A / Part B tariff % split
 - b. It is critical to buffer the water prices in the Relift area of the MDWSS by retaining the current Community Service Obligation
 - c. We support the continuation of 'amount of allocation based' Tiered Pricing for both allocation & usage charges in the MDWSS Channel System
 - d. Irrigators should not be burdened with the costs of 'non irrigation' water users in the MDWSS e.g. Stanwell, Tableland Regional Council & Recreational Users
 - e. Water Use Forecasts need to be reviewed for the MDWSS (i.e. review sugar cane water use forecasts)
- 5) Rate of Return
 - a. We strongly oppose paying rate of return on SunWater assets.
 - b. We would like clarification on how QCA will assess issues such as level of service, efficient operating costs and irrigators capacity to pay in relation to rate of return.
- 7) Capacity to Pay
 - a. What will be the basis used to assess the capacity of Irrigators to pay?
 - b. It will be difficult to adequately assess the capacity to pay in the MDWSS within the timeframe. Assessment will be required of each industry in the scheme as well as the different tariff groups (ie. channels, river, supplemented streams and relift)