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27 August 2010

Mark O'Sullivan
Stakeholder Liaison Officer
Queensland Competition Authority
GPO Box 2257
Brisbane 4001

Re: Nodal Pricing for the Bundaberg WSS

Dear Mark,

Bundaberg Fruit and Vegetable Growers Cooperative Limited (BFG) was established in 1948 and is currently representing over 400 growers in the greater Bundaberg region south to Gympie, north to Agnes Water and west to Gayndah/Mundubbera.

BFG has no formal linkages with Bundaberg CANEGROWERS, Isis CANEGROWERS, nor Bundaberg Regional Irrigators Group (BRIG).

BFG notes BRIG's submission states "BRIG has been established to represent irrigators in the Bundaberg district across a range of commodity groups including sugarcane, grain and horticulture". This is not disputed, however BFG wishes to highlight that a number of farmers that are primarily cane-growers also rotate their crops with peanuts, melons or other small crops or lease their land to horticulture growers as a method of crop rotation.

It is perceived by BFG that BRIG predominantly represents the interests of Bundaberg CANEGROWERS Ltd, Bundaberg Sugar Services Ltd and Bundaberg Sugar Ltd. We do not believe they provide a true and entire representation of commercial horticulture growers in the region.

In 2007 the farm gate value of the horticulture industry in the Bundaberg, Gin Gin and Childers region was \$390M with tomatoes alone nearing \$100M (compiled DPI&F). The farm gate value of the horticulture industry is now anticipated to be worth almost \$500M.

BFG sees the case for nodal pricing proposed by BRIG as a distraction, not supported by BFG who instead endorses the current single pricing structure across the entire Bundaberg Water Supply Scheme, benefitting the regional agriculture sector as a whole, and as such ask that the option of nodal pricing be withdrawn from the water pricing pathways process.

Yours sincerely

David De Paoli
Chairman