



27 August 2010

Mr E J Hall  
Chief Executive  
Queensland Competition Authority  
GPO Box 2257  
BRISBANE QLD 4001

Dear Sir

I attended a meeting yesterday morning in Childers hosted by the Isis Canegrowers where the issue of nodal pricing in the Bundaberg Water Supply Scheme was discussed.

Simpson Farms Pty Ltd manages over 1000ha of orchard in the Childers area and also farms cane. We employ over 40 full time and up to 320 casual people for up to 9 months of the year. Our total allocation under the Scheme is in the order of 4500ml.

Several important issues were raised at the meeting and should be seriously taken into consideration. I will comment on two of them.

The history of the development of the scheme and the resulting design has developed a system that if nodal pricing was introduced it would disadvantage a lot of growers. If nodal pricing was on the table then the design of the system would be completely different.

It might be said that growers of high value crop may be able to afford nodal pricing. The fact that someone grows a high value crop does not mean that they make high profit, it is usually the case that they have high input costs as well and nodal pricing will only increase that.

In considering whether to even look nodal pricing you should consider the history of the scheme and its design, the impact of nodal pricing on the region, the motives for the submissions in favour of nodal pricing.

We fully support the position of the Isis Cane Growers and the Bundaberg Fruit and Vegetable growers on this matter and ask that you not investigate nodal pricing.

If you have any questions please do not hesitate to call me.

  
John Walsh