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DJ and MA Fagg
MS 54
MILLAROO Q 4807

15th March 2002

Queensland Competition Authority
GPO Box 2257
BRISBANE Q 4001

RE: WATER PRICING IN THE BURDEKIN

We write with regard to the above matter.

We are growers in the BRIA, having purchased a farm in the Millaroo area in March 1996.

We had to go into considerable debt to purchase our farm. We also had to purchase water allocation at the time we acquired the farm.

We considered that by purchasing the water allocation at this time, we were making a contribution towards the capital costs of the Irrigation Scheme.

We now discover that not only are we asked to pay for the costs of running the Scheme together with the costs of supplying the water, but are also asked to make a further contribution towards capital costs. We consider it quite unfair that we should be asked to pay a rate of return, particularly as we have already contributed towards this in our allocation purchase.

The injustice is made far worse by the fact that Cane growers are generally struggling to survive at the moment, being confronted with a series of low sugar prices and poor crop yields. At the moment growers are not even able to recover the cost of producing their crop. In these circumstances, it is particularly hard to stomach a rate of return being charged on our water. Further, we seriously question whether a CPI increase should apply to the pricing. Growers simply cannot afford continued increases in prices, including the water tariff.

In the circumstances, we request that the QCA consider determining that a rate of return should not be payable as part of our water charges.

Yours Faithfully


DJ and MA Fagg