




Speech by

Shane Knuth

MEMBER FOR DALRYMPLE

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BULK WATER PRICES

 **Mr KNUTH** (Dalrymple—KAP) (9.42 pm): I wish to bring to the attention of the House the government's adoption of the Queensland Competition Authority's recommendation for SunWater bulk pricing. This is disastrous for irrigators and sounds the death knell for many farmers who will fold under unsustainable water and electricity price increases. This government has the opportunity to prove that agriculture is a priority by reducing the cost of production and ensuring that farmers can afford to farm. The QCA found that irrigators were already paying too much for water, but because of the Labor government's policy of fleecing farmers at every turn the authority was instructed that lowering prices was not an option.

By pushing through with the Queensland Competition Authority recommendations and not enforcing its own terms of reference, this government has effectively blocked any reduction in the crippling cost of water and cast doubt on its commitment to double food production in Queensland. The onus is now on the government to prove that its pre-election rhetoric was more than just a slogan to win votes.

In the Mareeba-Dimbulah SunWater irrigator scheme, relift costs will go up by between 40 and 60 per cent, which is very different from the \$2 plus CPI being spruiked by the minister. In real terms a large irrigator will be paying \$23,500 more for the same water in five years time and will have paid almost \$100,000 extra for the water over that period.

With increased electricity prices, farmers will also be slugged with increases of 10 per cent to 72 per cent on top of the federal government's carbon tax. The combined impact of unsustainable electricity and water costs on farmers and farming in Queensland will be devastating. Farmers cannot pass the increased cost to consumers. They have their backs to the wall. While government turns up the cost of utilities on one side, Coles and Woolworths drive down farm-gate prices on the other. We are not talking about facts and figures; we are talking about people's lives. Their livelihoods, their history, their culture and their future are being taken away by the very government which promised to look after them.

Primary producers are on their knees and many will have to walk away, at a great personal loss. Unfortunately, as farms close down our food security, the capacity of Queensland and the rest of Australia to feed itself, will be compromised. Millions of dollars in revenue will be under threat as farmers who are protected by governments in other countries are able to provide food at a lower cost. There are actions that the state government can take and must take that will relieve the cost of production. I call on the Premier to step in before it is too late.

The QCA terms of reference for water pricing and electricity pricing were set by the former Labor government and can be changed by this government. A moratorium on water price increases can be implemented to enable the restructuring of water management and delivery. Water management can be returned to local communities rather than profit motivated enterprises. These are some of the changes industry groups are crying out for so that irrigators can remain viable. I call on the Premier to take the necessary actions to restore confidence in our agricultural industry and revitalise primary production in Queensland.