




Speech By
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MEMBER FOR DALRYMPLE

MATTERS OF PUBLIC INTEREST

Water Prices

 **Mr KNUTH** (Dalrymple—KAP) (11.50 am): Recently I attended a meeting in Mutchilba, where irrigators in the SunWater Mareeba-Dimbulah relift irrigation scheme expressed outrage that the government has failed to honour its pre-election commitment to cap water price increases to CPI plus \$2. It was unfortunate that the member for Cook was unable to make it, but those attending the meeting appreciated his verbal support of their demands.

Irrigators are angry that the government appears to be either unwilling or powerless to deliver affordable energy and water pricing. They feel betrayed that a clear election promise has been abandoned by the LNP. As I expressed to those at the meeting, the Minister for Energy and Water Supply has proven willing to listen to my constituents and resolve water issues in my electorate quickly. However, he is hamstrung by a corporate model of utility management and his party's privatisation agenda to package and restructure water ownership, distribution and retail for sale after the next election.

Previously, water delivery was a government function and the minister set the price at the cost of delivery because it was understood that the income generated would return to the budget bottom line through the success of the agricultural industry in the region. Corporatisation has isolated water delivery, and the corporate entity does not have access to the broad income stream generated by successful agricultural communities.

The LNP are now offering independent co-op arrangements for irrigators to take over distribution and delivery of water while the bulk water remains under the corporate structure. Farmers will be handed a run-down infrastructure and they will have added difficulties in trying to negotiate licence quotas from the bulk water owner, SunWater—if SunWater's name does not change. This creates a conflict of interest for SunWater, which makes a significant profit on the water it sells to Cairns and highly populated areas and will naturally prioritise its own profits above the community service responsibility to agricultural producers. The state government has created a situation where farmers are damned to fighting for adequate water allocation if they take responsibility for the distribution and damned to unsustainable production costs set by QCA if they do not opt in.

Corporatisation is a failed model of utility management and it must be abandoned before the agricultural industry is sacrificed. In today's *Courier-Mail* the Minister for Transport is quoted as saying that if the government wanted to privatise Queensland Rail it would leave it as a government owned corporation. If the government can restructure Queensland Rail from a profit motivated entity to a government controlled service then the same can be done with water and energy.

This government has a perfect opportunity to retain the income-generating aspects of our water and energy delivery without making the same mistake the Labor government made when it sold the profitable arm of Queensland Rail. It is imperative to do whatever it takes to achieve affordable pricing, reduce the cost of production and return viability to farming. Farmers have had enough of empty election promises that never eventuate while they are overwhelmed by unsustainable costs of

production. Many farmers I speak to ask me if governments, both federal and state, are really interested in the survival of agriculture at all. Last week a sugarcane farmer from the coast wanted to know if the government was fair dinkum or if he should sell his farm to the Chinese while he can still get a good price for it.

There is so much at stake and the government cannot afford to stand idly by, blaming market forces, while an industry that has been the backbone of our economy for 200 years is ruined. The government must, rather than point to this independent co-op arrangement and brag about possible benefits, prioritise the reduction of water pricing in line with its pre-election commitment of CPI plus \$2 to the relift areas in the Mareeba-Dimbulah irrigation scheme if it is genuinely interested in the survival of our agricultural industry in Queensland.