




Speech By
Stephen Bennett

MEMBER FOR BURNETT

Record of Proceedings, 16 May 2019

**STATE DEVELOPMENT, NATURAL RESOURCES AND AGRICULTURAL
INDUSTRY DEVELOPMENT COMMITTEE**

Report, Motion to Take Note

 **Mr BENNETT** (Burnett—LNP) (3.24 pm): My contribution to the consideration of the Auditor-General's report No. 8 will be on a number of issues but predominantly about the impact of the cost of water on high-value irrigated agriculture and the continuation of the success of these irrigated schemes. The report talks about profits and revenue. The report acknowledges the huge investment of taxpayers' money in the sustainability of these water assets. My biggest fear is the continuation of cost-reflective pathways for irrigated water to be made available to the regions. A lot of regions rely much on irrigated water, the security of irrigated water but, more importantly, the cost being reflective of what sustainable agriculture looks like.

The Auditor-General's report talks about water assets—the assets held, the cash and the sustainability. It is really important to consider the current price path being proposed for irrigated agriculture. We are talking about a cost for irrigated water that is well above CPI increases. I have to point out that, for my region, raising another \$38 a megalitre, which is a 20 per cent to 40 per cent increase, is just not sustainable. I want to tell members what I have been made aware of over the number of years that I have been lucky enough to be in this place. The cost of water relates to productivity and the sustainability of farming. If we stop using irrigated water on production, particularly in the areas that I live in, productivity decreases. We cannot afford a scenario where we go back to dryland farming, particularly for sugarcane farmers, who have the biggest investment in ensuring that these assets are productive and affordable.

I give a big shout-out to organisations such as BRIG and others that continually make submissions to the Auditor-General and the Queensland Competition Authority on our assets, particularly SunWater in my part of the world, and the long-term prospects of our industries. I have real fears if we continue down this path that has been proposed of cost-reflective tariffs on our assets. I wonder why, with the large profits that are being reported in this current Auditor-General's report, which refers to a \$346 million profit, we need to continually increase water prices so savagely.

It is great that this report refers to opportunities for Paradise Dam. I remind members that, currently, there is an opportunity for safety audits. It concerns me that the Auditor-General did not pick up in this report the potential loss of water once the safety audits are completed on the Paradise Dam and the Burdekin Falls Dam. I know that scenarios have been considered by experts and we are all waiting for the results of that. It is important for my part of the world that Paradise Dam is included in this report. It is also important to note that 100 megalitres is not allocated out of the Paradise Dam. Again, that is another revenue source that could offset costs. That could be given as profits to the government. More importantly, that revenue could be returned to the farmers in that area who are seeing their water prices increase astronomically.

When we see the option of a 40 per cent increase in the price of water, we have to talk about the serious effect that price increase could have. Cost-reflective pricing for water is a no-go. We have to get away from that. The government has to start talking sensibly about what it is going to do to make sure that agriculture continues in all of our productive regions. The government has to get on top of this bad deal that the farmers in my region are getting from SunWater. The cost-reflective prices of these schemes have the potential to wipe out irrigation. If we wipe out irrigation and we start to see industries collapse, what happens to those water assets? These assets are taxpayer owned and taxpayer built. Taxpayers deserve to receive the dividends that come from these assets.

We cannot afford to have stranded assets in our regions. Water is the lifeblood of our agricultural industries. That is why I look forward to seeing further Auditor-General reports, particularly relating to water. We must make sure that those farmers who rely heavily on irrigation do not go back to the days of dryland farming. I conclude by calling on the Labor government to consider not raising these prices arbitrarily on the back of the QCA's recommendations and look at what affordable water could look like for the regions and that the attack on farming families stops.